



Canadian Mutual Fund & Exchange-Traded Fund Investor Survey



THE INVESTMENT
FUNDS INSTITUTE
OF CANADA

L'INSTITUT DES FONDS
D'INVESTISSEMENT
DU CANADA



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Table of Contents

	Slide
Research Objectives and Methodology	3
Key Findings and Conclusions	7
Results in Detail	17
Attitudes Toward Investment Products and Investment Strategies	18
Investment Portfolio and Purchases	25
Assessment of Investment Advisor	31
Attitude Towards and Knowledge of Fees	49
Information Requirements and Investment Statements	52
Awareness of and Attitude toward Responsible and Impact Investments	58
Impact of COVID-19 on Investors	65



Research Objectives and Methodology

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Research Objectives

- In 2021, the Investment Funds Institute of Canada (IFIC) commissioned Pollara, an independent research firm, to conduct the 16th wave of IFIC's annual telephone and online survey of mutual fund investors in Canada.
- For the third year, the study includes Canadian exchange-traded fund (ETF) holders analyzed as a distinct group.
- The study was initiated by IFIC to better understand Canadian mutual fund holders (and now ETF holders) to identify their attitudes, opinions, needs, expectations and behaviours and to track these over time.
- In addition, this survey was designed to provide tracking for impacts on client knowledge and behaviour prior to the introduction of Point-of-Sale and Client Relationship Model Phase 2 regulation.
- This research reveals investor attitudes and behaviour regarding mutual funds and ETFs, including:
 - Confidence in mutual funds/ETFs meeting financial goals;
 - Methods of purchasing mutual funds/ETFs and advisor's role in decisions;
 - Impressions regarding fees paid for mutual funds/ETFs and value for advice given by advisors;
 - The use and perceived value of mutual fund/ETF statements;
 - Changes in these measures over the course of the research program;
 - Awareness and knowledge of responsible and impact investing (new addition in 2020); and
 - Effect of COVID-19 on investments (new addition in 2021).

Research Methodology

- This research was conducted with Canadian investors who are 18 years of age or older and make all or some of the decisions regarding the investments in their household.
- Surveys were conducted using a hybrid methodology of telephone and online surveys with mutual fund and ETF investors. For the sake of consistency and comparison to past research, this report shows only the results of the surveys conducted via telephone interviews.
- Among mutual fund investors, 676 telephone interviews were conducted. Results with a sample of this size can be considered accurate to within $\pm 3.8\%$, at a 95% level of confidence. Among ETF investors, 232 telephone interviews were conducted. Results with a sample of this size can be considered accurate to within $\pm 6.4\%$, at a 95% level of confidence.
- Sub-sample results (i.e. results for different demographic groups) may have a larger margin of error than the overall margins listed above.
- All interviews were conducted between May 28th and June 23rd, 2021.
- National results have been weighted based on 2019 PMB data* to ensure they are representative of mutual fund/ETF holders by region and gender. Interviews were conducted in either English or French, depending on the respondent's language preference.

Research Methodology

- National results from 2021 mutual fund and ETF investors are tracked against results from previous waves of research. Generally speaking, changes of five or fewer percentage points from one year to another are not considered statistically significant and are noted only when they appear to confirm part of an ongoing multi-year trend.

Mutual Fund Investors

Year	Sample Size	Margin of Error	Interview Dates
2021	676	±3.8%	May 28 to June 23, 2021
2020	1,138	±3.1%	May 28 to July 5, 2020
2019	1,024	±3.1%	May 27 to Jun. 17, 2019
2018	1,000	±3.1%	Jun. 11 to Jul. 6, 2018
2017	1,000	±3.1%	Jul. 11 to Jul. 25, 2017
2016	1,000	±3.1%	Jun. 29 to Jul. 14, 2016
2015	1,008	±3.1%	Jul. 20 to Aug. 10, 2015
2014	1,002	±3.1%	Jul. 10 to Aug. 4, 2014
2013	1,004	±3.1%	Jun. 23 to Jul. 7, 2013
2012	1,000	±3.1%	Jun. 13 to Jul. 2, 2012
2011	1,006	±3.1%	Jun. 10 to Jun. 24, 2011
2010	1,002	±3.1%	Jun. 11 to Jun. 24, 2010
2009	1,002	±3.1%	May 28 to Jun. 9, 2009
2008	1,895	±2.3%	May 29 to Jun. 17, 2008
2007	2,508	±2.0%	May 23 to Jun. 27, 2007
2006	1,865	±2.3%	Jun 15. To Jul. 11, 2006

ETF Investors

Year	Sample Size	Margin of Error	Interview Dates
2021	232	±6.4%	May 28 to June 23, 2021
2020	500	±4.4%	May 28 to July 5, 2020
2019	500	±4.4%	May 27 to Jun. 28, 2019



Key Findings and Conclusions

Key Findings

Mutual fund investors continue to have confidence in mutual funds while ETF investors have confidence in a number of products including stocks, mutual funds and ETFs.

Attitudes towards Investment Products and Strategies

- Mutual fund investors continue to have more knowledge in mutual fund investing and more confidence in mutual funds than in other investment products (stocks, GICs, bonds and ETFs).
 - Knowledge about mutual fund investing continued to increase this year, up slightly since 2020, and up by 9% since 2018.
 - While mutual fund investors continue to have more confidence in mutual funds than other products, their confidence in all investments has declined, at least slightly, this year.
 - After an increase in confidence in ETFs among mutual fund investors in 2020, levels of confidence remain consistent this year. Confidence in ETFs is lower than that of mutual funds or stocks but similar to that of bonds and GICs.
- While ETF investors have a high level of knowledge and confidence in ETFs, they also feel confident in stocks and mutual funds.
 - Knowledge of investing in ETFs has increased significantly this year, after seeing a slight dip in 2020.
 - Confidence in ETFs remains consistent with last year and is similar to the confidence in stocks, mutual funds and their primary residence.
 - ETF investors have less confidence in GICs and bonds, with confidence in both decreasing this year.

Key Findings

ETF investors have more diverse portfolios than mutual fund investors and remain more likely to have made a recent investment.

Investment Portfolios and Purchases

- While both investor types tend to have more than one type of product in their portfolio, ETF investors' portfolios continue to be more diverse.
 - Half of mutual fund investors also have stocks in their portfolios, while one-third have ETFs or GICS. On average, half of these portfolios are made up of mutual funds.
 - While there was an increase in the number of mutual fund investors who also hold ETFs in 2020, this number has remained consistent this year.
 - ETF investors have a more diverse portfolio, with investments spread across ETFs, stocks and mutual funds, consistent with last year's findings.
- Purchases of mutual funds remain steady this year with ETF investors more likely to have made a recent purchase.
 - Purchases of mutual funds by mutual fund investors in the past 12 months are similar to those from last year with only a third of these investors making a purchase.
 - Purchases of ETFs by ETF investors in the past 12 months are much higher, with almost three-fifths of these investors making a purchase, an increase from past 12 month purchases in 2020.

Key Findings

Use of advisors has increased slightly this year but the value attributed to the advice has gone down among those who use them.

Assessment of Investment Advisor

- Mutual fund investors continue to purchase funds from someone who provided advice. This is an increase of five points from last year (after a continuous decline since 2016). Use of online brokerages has declined this year, while use of robo-advisors and other methods have seen slight increases.
- While ETF investors are less likely to rely on advisors compared to mutual fund investors, their use of advisors has increased very slightly this year. Use of online brokerages has also seen a decline with this group.
- Investors are satisfied with their advisors. However, there has been a significant decline in the level of value both investor types put on their advisor relationship.
 - Overall satisfaction with advisors continues to be very high for both investor types, consistent with historical findings.
 - While the strong majority of mutual fund investors continue to see the value in their advisors and would not want to handle their own investments, this has declined significantly since 2020.
 - Findings among ETF investors are similar: the majority see the value in their advisors and would not want to handle investments on their own, but at a significantly lower rate than in 2020. Additionally, these investors are less likely to say they would not want to handle their investments on their own, compared to 2020.
- While investors report that advisors continue to discuss the suitability of investments for meeting investment goals, the reported incidence of doing so has decreased slightly for mutual fund investors and significantly for ETF investors compared to last year. That said, both investor types feel their advisor provides at least some, if not all of the information investors require.

Key Findings

Advisor conversations about fees are similar to last year.

Knowledge of and Attitudes toward Fees

- Following the full implementation of CRM2 in 2017, advisors were more likely to have discussions about fees with investors. This year, the discussion of fees is consistent compared to that of last year.
- ETF investors who use advisors report that these conversations are happening at the same frequency as for mutual fund investors.

Key Findings

Satisfaction with information included in statements has increased significantly since last year.

Information Requirements and Investment Statements

- Following the full implementation of CRM2, a decline in satisfaction with the information contained in annual statements was seen in the 2018 research among mutual fund investors. Since then, there has been a gradual increase in satisfaction. This year, satisfaction increased significantly, returning to previous highs on a number of indicators including showing the rate of return clearly, the inclusion of necessary information and the ease of understanding the statements.
 - Impression of statements among ETF investors is similar to that of mutual fund investors, although mutual fund investors are more satisfied with the statement's ability to show clearly any fees paid to the firm, the rate of return and the inclusion of necessary information.
- One-fifth of mutual fund investors have made a change to their investments due to information contained in their statements. The likelihood of doing so increased between 2017 to 2020, but this year saw a decline back to 2019 levels.
- ETF investors are more likely than mutual fund investors to make a change based on this information, but this also has declined since last year.

Key Findings

Knowledge of responsible and impact investing has increased somewhat, and use of these investments has increased significantly, compared to 2020 findings.

Responsible and Impact Investing

- Investors report having some, but not a lot, of knowledge about responsible investing, with ETF investors being more knowledgeable than mutual fund investors. Knowledge about impact investing is lower, but again slightly higher among ETF than mutual fund investors. Knowledge of both have increased slightly since last year.
- While only a minority of both investor types have been asked if they are interested in including responsible or impact investments in their portfolio, this has increased since last year.
- Use of responsible investing is on the rise, with one-third of mutual fund and two-fifths of ETF investors holding these funds in their portfolio, a significant increase from one-quarter last year. Additionally, the majority feel it is at least somewhat likely that they will start to include or to increase their existing holdings.
- Both mutual fund and ETF investors equally agree that the events of the past year have made them more likely to consider investments that will have a positive impact on the world.

Key Findings

Most investors did not face any severe impacts of COVID-19 and are satisfied with all the methods of communication in connecting with their advisor.

Impact of COVID-19 on Investments

- Half of the investors stated their ability to save was not impacted by the pandemic. Those who were able to save more are planning to put the extra savings into investments.
- While most say the frequency of communicating with their advisor had not changed during COVID, investors were somewhat more likely to initiate these conversation compared to pre-COVID times. Half of the investors reported that they met their advisor in their office before the pandemic and will continue to do so once the pandemic is over. While there was an increase in the use of video conferencing during the pandemic, only one-in-ten want to continue this after it is over.
- Both mutual fund and ETF investors are equally satisfied with all the methods of communicating with their advisor. While satisfaction with video conferencing was strong, investors are still hoping to return to in- person, or to a lesser degree, phone meetings after the pandemic.

Conclusions – Mutual Fund Investors

- Mutual fund investors continue to have more confidence in this product than in other products. However, confidence in most investment vehicles (with the exception of ETFs) has declined at least slightly this year. While these investors are likely to have a variety of products in their investment portfolios, mutual funds are their primary investment vehicle. While inclusion of ETFs in their portfolios increased last year, it has remained stable in 2021.
- Mutual fund investors continue to rely strongly on advisors, with their usage increasing for the first time since 2015. While satisfaction with advisors continues to be strong, mutual fund investors are questioning their value and fewer investors say they would not want to handle their investments on their own. That said, of those who have stopped using advisors for all purchases, most feel they will continue to use them for some.
- Advisors are continuing to have conversations with mutual fund investors about investment fees. Additionally, there has been an increase in satisfaction with the information contained in the annual fee and performance statements. However, the likelihood to take action based on this information has declined slightly.
- Mutual fund investors continue to have some, but not a lot, of knowledge about responsible investing and to a lesser extent, impact investing. However, advisors are more likely to be discussing these investment types this year and the inclusion of these fund types in investor portfolios has increased. Many agree, at least somewhat, that the events of the past year have made them more likely to consider investments that have a positive impact on the world.
- One-third of mutual fund investors have been able to save more during the pandemic and are likely to put these savings into investments. While the pandemic has not changed the frequency of communicating with advisors, investors are taking the initiative more than in the past. While use of video conferencing has increased during the pandemic, most want to return to in-person visits once it is over.

Conclusions – ETF Investors

- ETF investors continue to have a more diverse portfolio than mutual fund investors, relying not only on ETFs but also stocks and mutual funds. Likewise, they continue to feel confident in several different products. While confidence in ETFs, mutual funds and stocks remains consistently high, confidence in GICs and bonds has seen a significant decline.
- ETF investors are more likely to have made an investment purchase in the past year compared to mutual fund investors. Their use of advisors has increased slightly this year, while still lower than that seen among mutual fund investors. As with mutual fund investors, satisfaction with advisors remains high yet ETF investors are questioning the value of advisors and are more likely to report a willingness to consider investing on their own.
- Advisors are discussing fees with ETF investors at the same rate as last year. These investors are also more satisfied with the information contained in their annual statement, compared to last year. They are also slightly less likely to have taken action based on the information contained in the statements.
- While levels of knowledge of responsible and impact investments remain similar to last year, they also remain higher than that of mutual fund investors. ETF investors have had more discussions about these funds than last year and are more likely to have included them in their portfolio. They, like mutual fund investors, agree that this past year has made them more likely to consider these fund types.
- ETF investors are saving during the pandemic at a similar rate to mutual fund investors. They are also more likely to be initiating conversations with their advisors during this time.



Results in Detail

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Attitude Towards Investment Products and Strategies

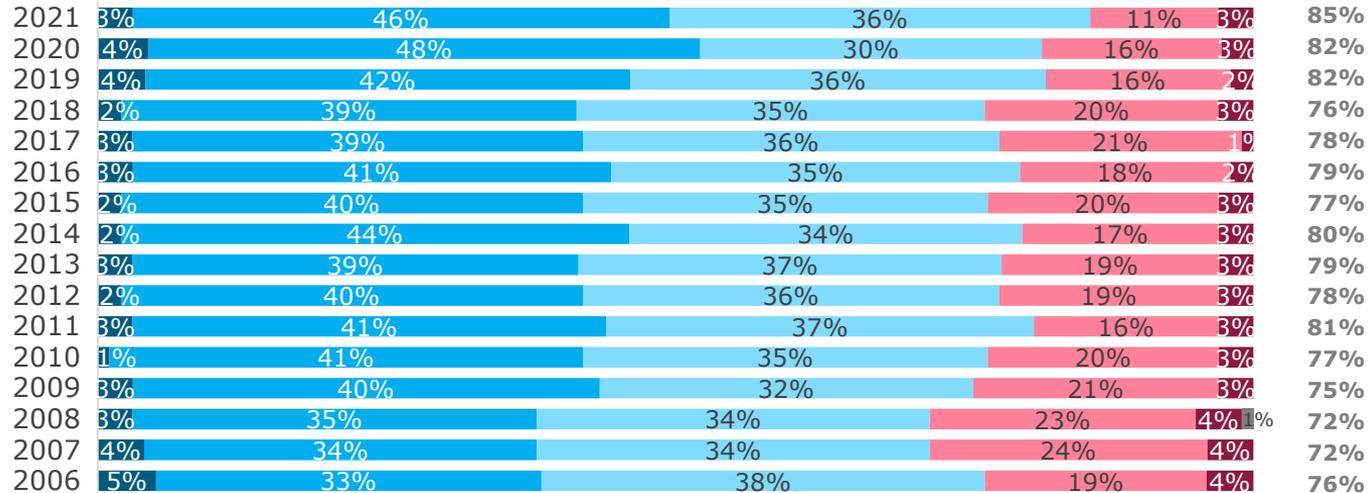
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Knowledge About Investing in Mutual Funds

Mutual fund investors continue to grow their knowledge about investing in mutual funds.



- Most (85%) mutual fund investors believe they are somewhat to very knowledgeable, a finding consistent with 2020 results.
- Half of investors say they are knowledgeable (49% rated 7 out of 10 or higher), just slightly lower than last year's findings (52%). They are significantly more likely to say they are knowledgeable than investors were in 2006 through 2009 when knowledge began to increase toward current levels.
- **Profile of knowledgeable investors:*** Males; younger (18-44); do not own a house; household income \$50k+



Total % Knowledgeable

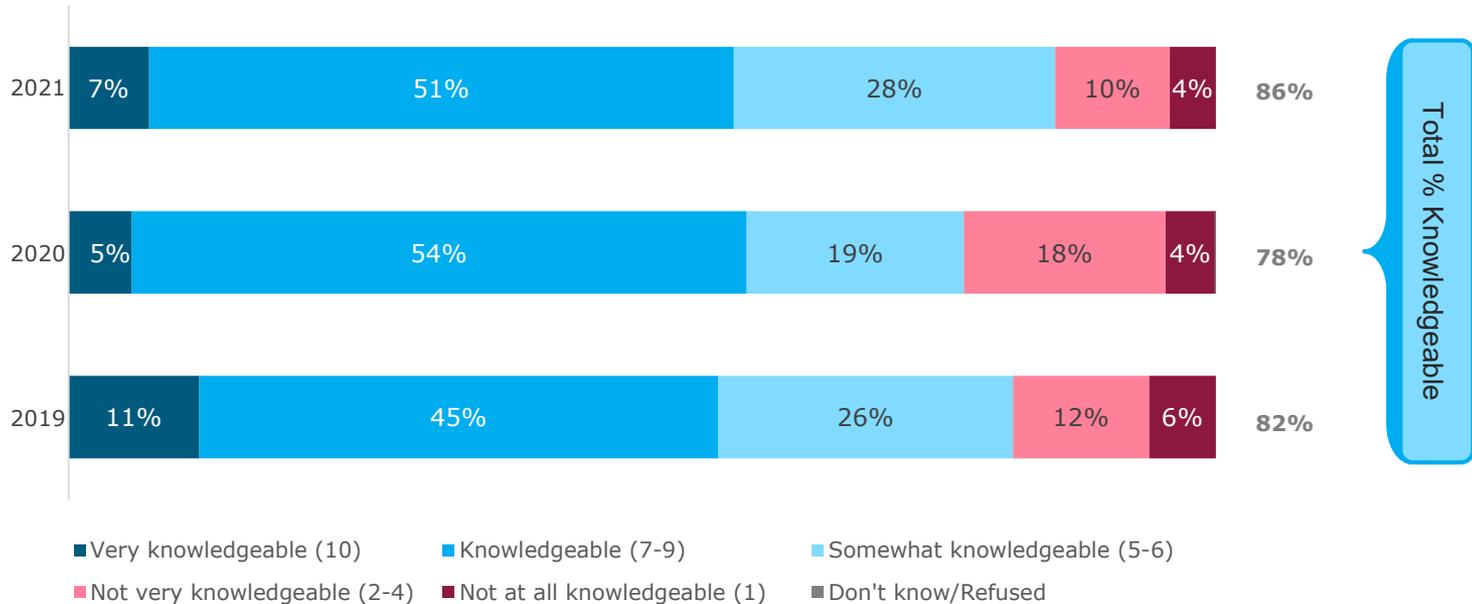
■ Very knowledgeable (10)
 ■ Knowledgeable (7-9)
 ■ Somewhat knowledgeable (5-6)
■ Not very knowledgeable (2-4)
 ■ Not at all knowledgeable (1)
 ■ Don't know/Refused

Q1. Overall, using a scale from 1 to 10 where 1 means you are 'not at all knowledgeable' and 10 means you are 'very knowledgeable', how knowledgeable would you say you are about investing in mutual funds? Base: Mutual Funds N=676; * All results significant - Details in the notes

Knowledge About Investing in ETFs

ETF investors consider themselves as knowledgeable about ETFs as mutual fund investors are about mutual funds.

- More than four fifths (86%) of ETF investors feel somewhat to very knowledgeable about ETFs, up by eight percentage points from the previous year (78%).
- **Profile of knowledgeable investors:*** University graduates; younger and middle aged (18-64); self employed; do not own a house; investments over \$200K.



Q2. Using a 10 point scale, where 1 means 'not at all knowledgeable and 10 means 'very knowledgeable'; how knowledgeable would you say you are about investing in each of the following products? Base: ETFs N=232

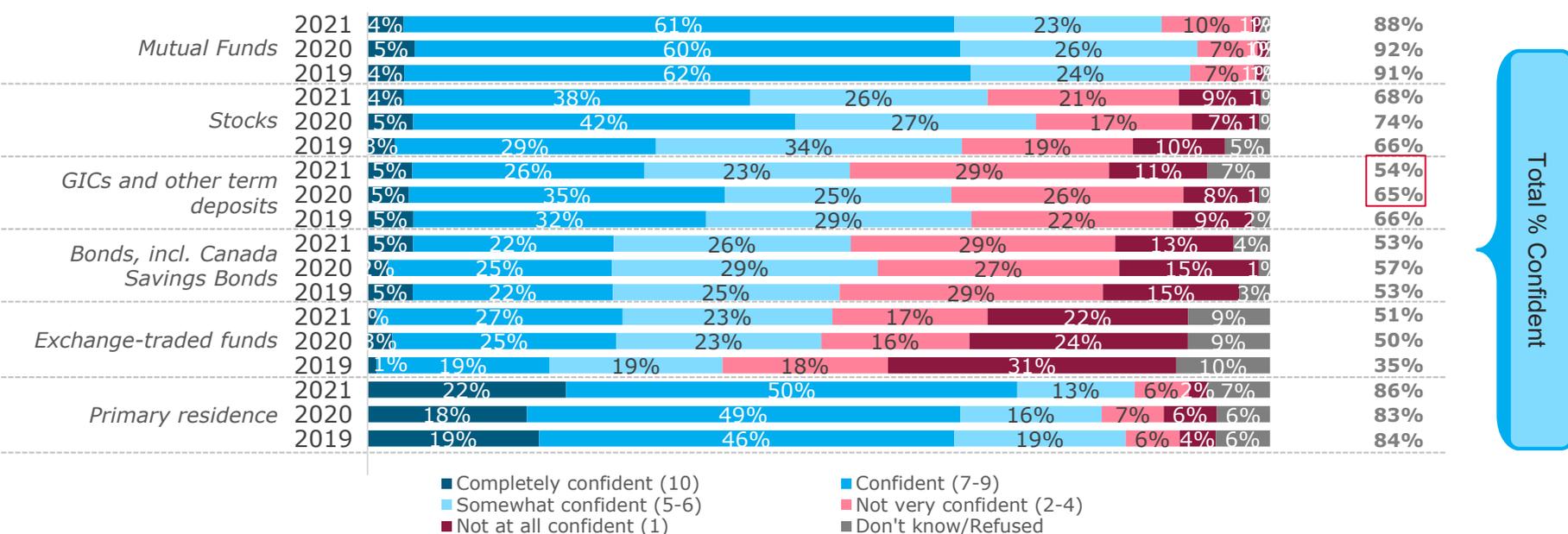
Confident Investments Will Meet Financial Goals

Mutual fund investors are most confident in mutual funds as investment products although confidence in ETFs remains consistent to 2020.



Mutual Fund Investors

- Mutual fund investors continue to feel most confident in reaching financial goals through mutual funds rather than other types of investments (88% of investors in 2021). However, this is slightly lower than last year's findings (2020 92%).
- This year the investor confidence has decreased in stocks (6% decrease in confidence). While confidence in ETFs rose significantly last year, it stayed consistent this year with half (51%) of investors feeling confident.



Q3/Q4/Q5/Q6/Q7/Q8. Using a 10 point scale, where 1 means 'not at all confident' and 10 means 'completely confident'; overall, how confident are you that each of the following investment products would help you meet your household's financial goals? Base: Mutual Funds N=676; * All results significant - Details in the notes; □ significant at 95% to 99%

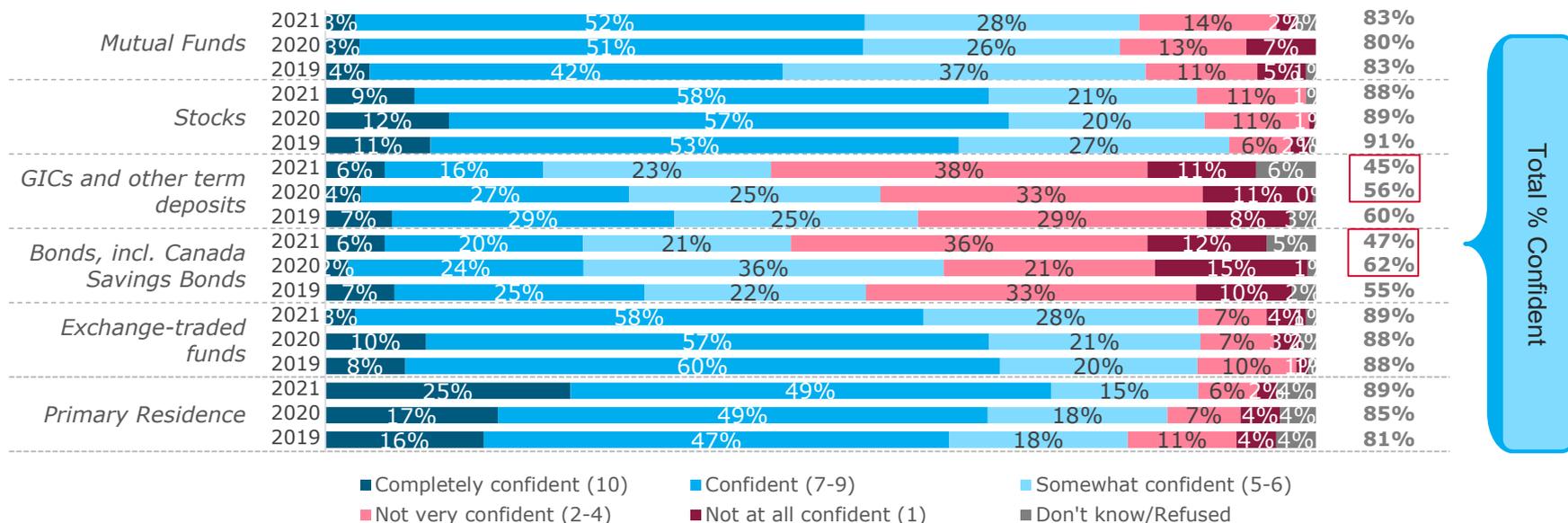
Confident Investments Will Meet Financial Goals

Compared to mutual fund investors, ETF investors are confident in a number of products including ETFs, stocks and mutual funds as a means of reaching financial goals.



ETF Investors

- In 2021, ETF investors are most confident in ETFs (89%) and primary residence (89%) to achieve financial goals, followed by stocks (88%) and mutual funds (83%), consistent with 2020 findings. ETF investors' confidence in both bonds and GIC has decreased significantly by 15% and 11% respectively.
- Confidence in ETFs remains higher among ETF investors than among mutual fund investors.
- **Most confidence in ETFs:*** Younger and middle aged (18-64); not homeowners; household income either less than 50k or more than 100k.



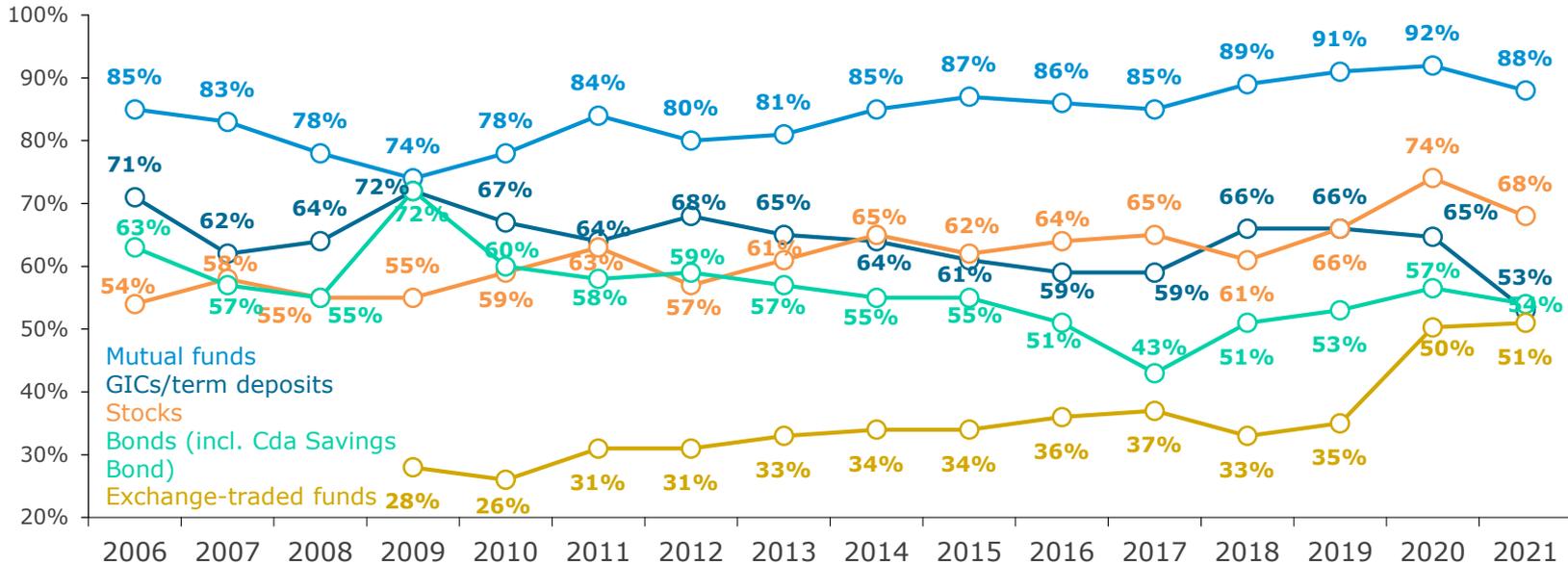
Q3/Q4/Q5/Q6/Q7. Using a 10 point scale, where 1 means 'not at all confident' and 10 means 'completely confident'; overall, how confident are you that each of the following investment products would help you meet your household's financial goals? Base: ETFs N=232; □ significant at 95% to 99%

Confident in Investments to Meet Financial Goals

Confidence in mutual funds has increased gradually over the past few years, but decreased slightly since 2020.



- Confidence in mutual funds has increased slowly and steadily since 2017 to a high of 92% in 2020. It dipped slightly to 88% this year.
- Confidence in ETFs among mutual fund investors has been relatively stable with small yearly increases but in 2020 confidence rose dramatically from 35% to 50% staying consistent in 2021 at 51%.
- Confidence in stocks decreased slightly this year from 74% to 68% staying relatively stable from 2013 to 2019.
- Confidence in both bonds and GICs has been far more volatile than mutual funds. Confidence in bonds has decreased slightly since last year from 57% to 54% in 2021. And confidence in GIC/ term deposits remains steady between 2018 through 2020, seeing a dip this year from 65% to 53%.



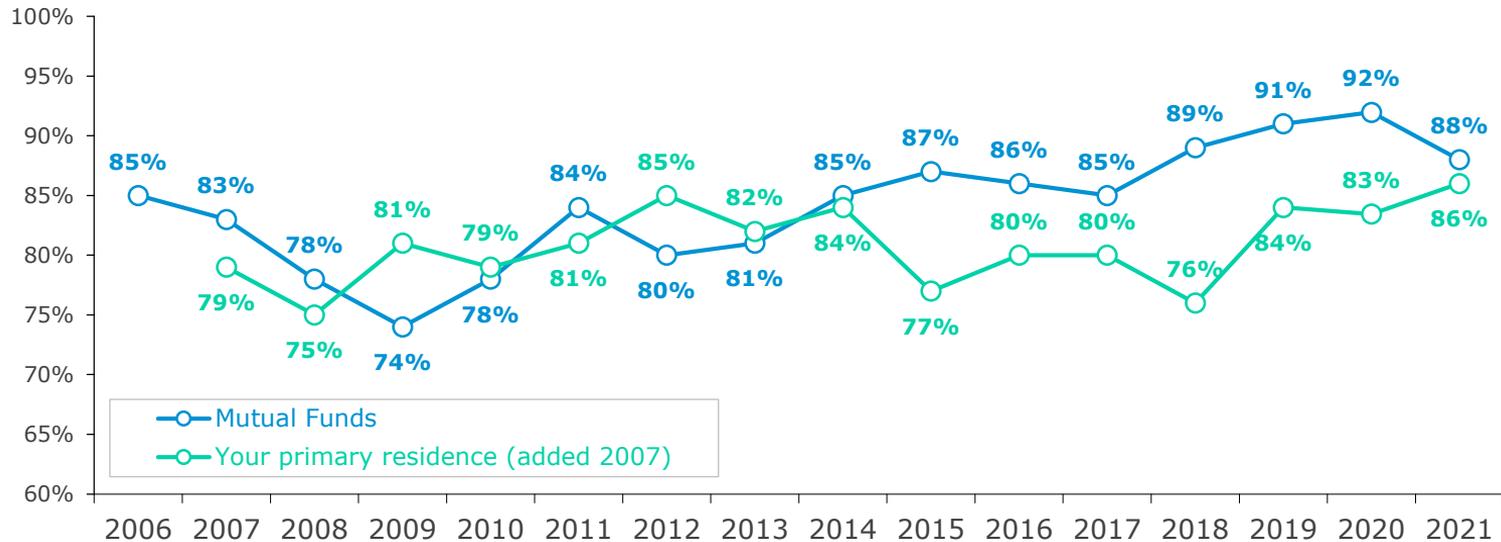
Q3/Q4/Q5/Q6/Q7. Using a 10 point scale, where 1 means 'not at all confident' and 10 means 'completely confident'; overall, how confident are you that each of the following investment products would help you meet your household's financial goals? Base: Mutual Funds N=676

Confident in Mutual Funds vs. Primary Residence

Mutual fund investors are gradually becoming equally confident in mutual funds and a primary residence as a means of reaching financial goals.



- The gap in confidence between primary residence and mutual funds has been reduced to a difference of only 2% this year.
- While confidence in mutual funds has remained steady or increased slowly from 2015 to 2020, it has decreased to 88% in 2021. Confidence in primary residence has increased this year to 86% coming close with mutual funds.
- Investors in Atlantic provinces and Quebec are most likely to have confidence in a primary residence as an investment product.





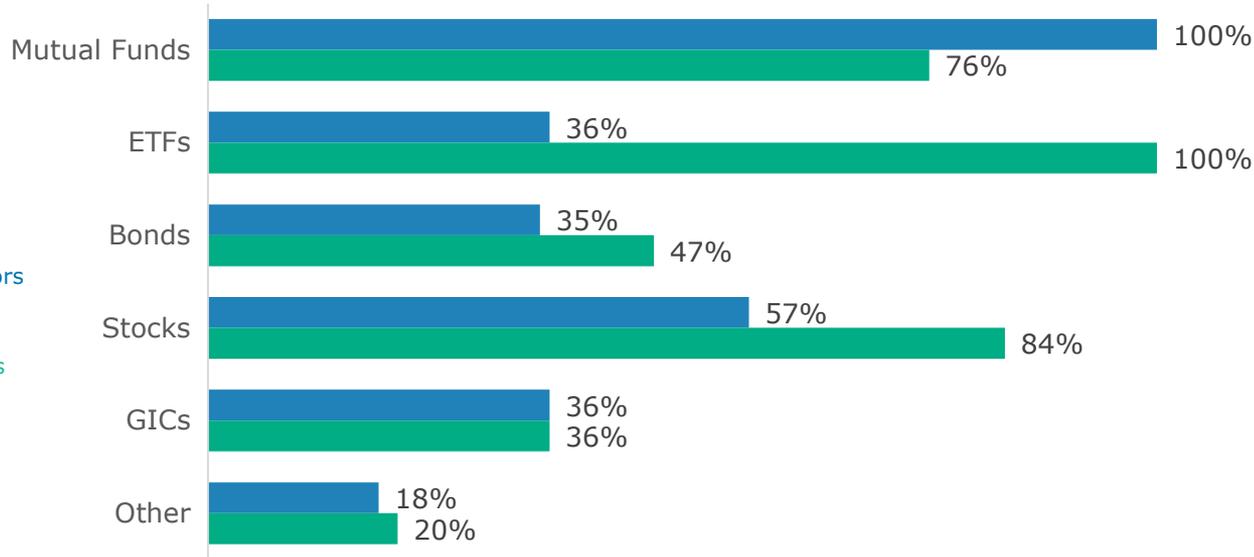
Investment Portfolios and Purchases

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Investment Portfolio

ETF investors are more likely to invest in multiple products including mutual funds than mutual fund investors, who are not as heavily invested in ETFs and other products.

- In addition to mutual funds, more than half (57%) have stocks in their portfolios, while one-third have ETFs (36%),
- While the majority of mutual fund investors do not have ETFs (only a third), the majority of ETF investors have mutual funds (76%). This group is also more likely to have stocks in their portfolio (84%) and bonds (47%). GICs are less popular with this group with only a third holding this investment.



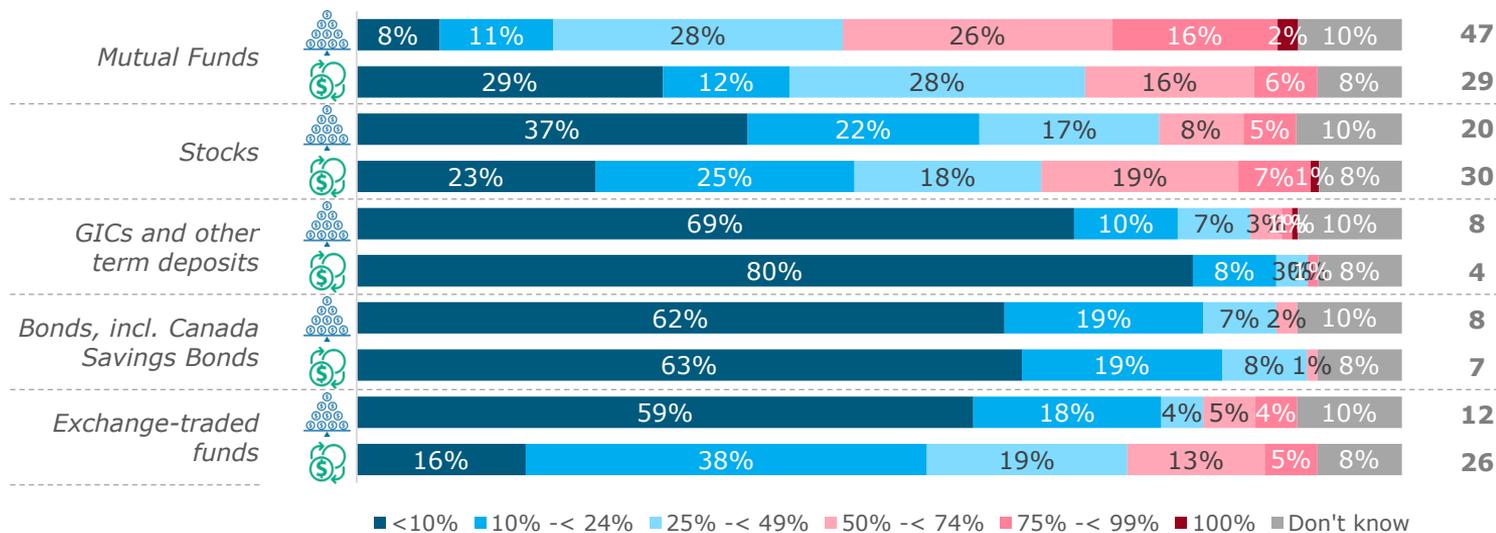
In 2019 only a fifth of mutual fund investors had ETFs and this has grown significantly to a third (34%) in 2020, increasing only slightly (+2%) this year.

Composition of Investment Portfolio

Mutual fund investors are more likely to be heavily invested in their main product (mutual funds) compared to ETF investors who invest equally in several products.



- For mutual fund investors, mutual funds make up close to half (47%) of investments in the portfolio, with a fifth (20%) in stocks and 10% or less in other products.
- In contrast, ETF investors invest in a number of products with ETFs only making up on average a quarter (26%) of the portfolio, while a third is in stocks (30%) and another quarter in mutual funds (29%).



Average % of each investment in portfolio

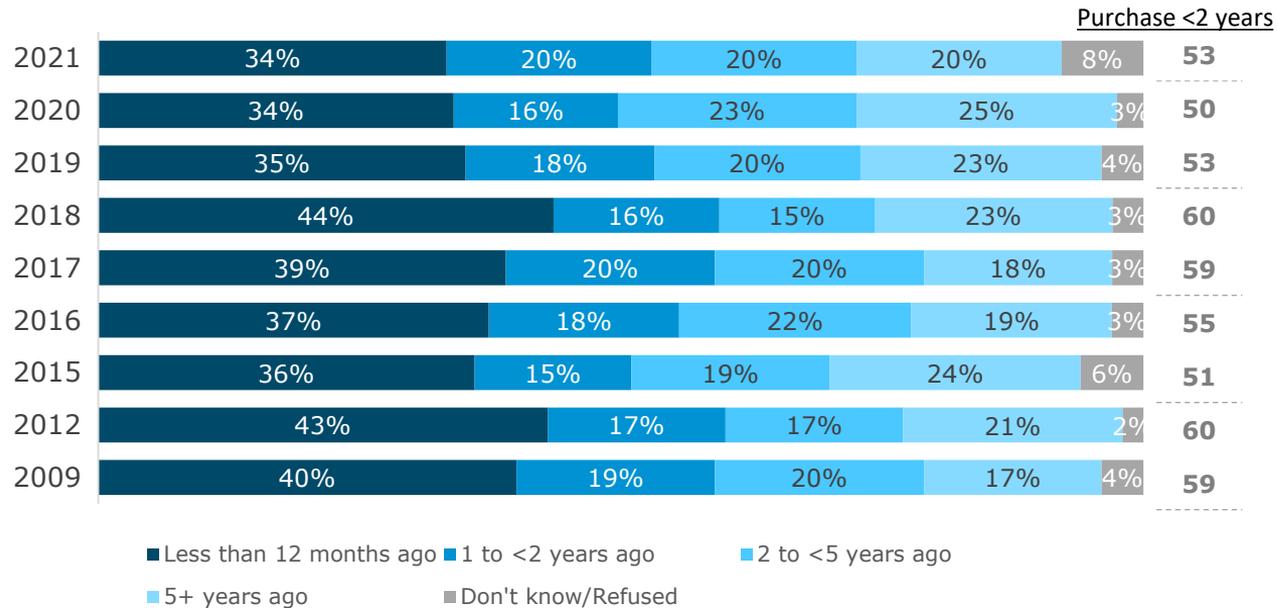
Q11. You mentioned that you have more than one type of investment. What percentage of your investment portfolio is made up of... and how about... ? Base: Those with more than one investment type: Mutual Funds N=560, ETFs N=230; █ significant at 95% to 99%

Most Recent New Fund Purchase

The purchase of mutual funds in the last two years has increased compared to 2020.



- Only half (53%) of mutual fund investors purchased a mutual fund in the past two years, an increase of 3% from 2020, similar to 2019 levels but down significantly from 2018. The incidence of making a purchase in the past year has remained consistent since 2019.
- **Most likely to purchase in last two years:*** 18-64 years; do not own a home; college or some university graduate; household income \$100+
- Investors from Quebec (68%), Atlantic provinces (67%) and British Columbia (66%) are more likely to have made a purchase in the past two years compared to other provinces/ regions.



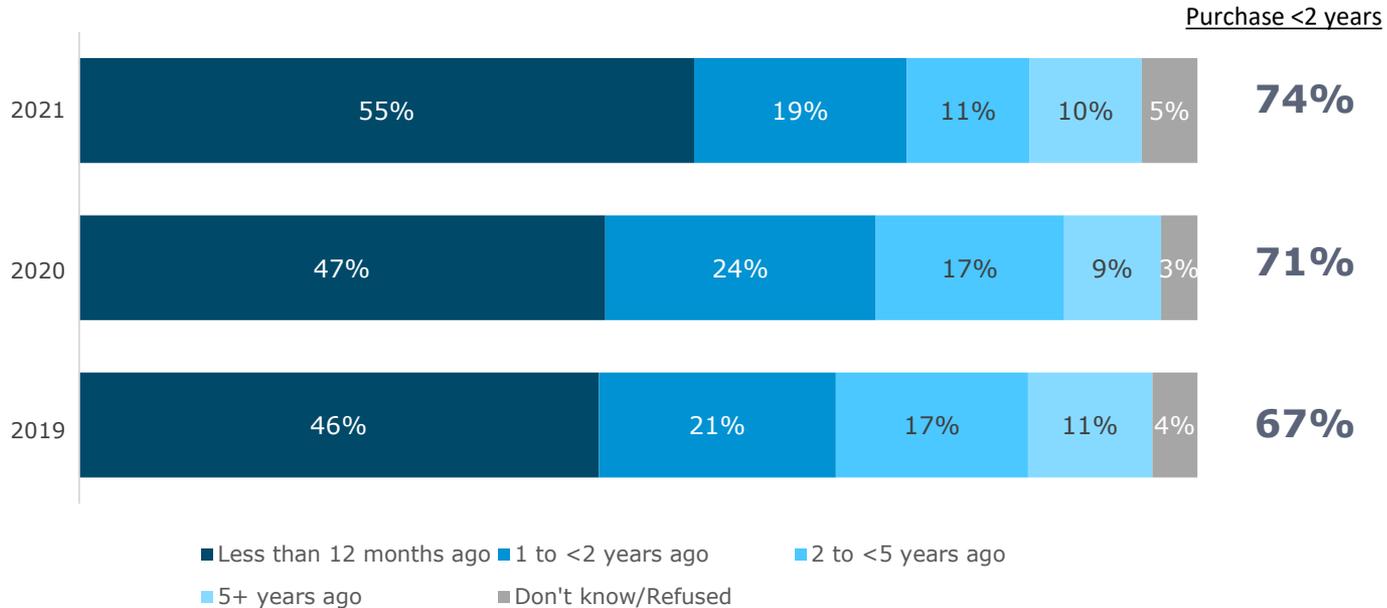
Q12. When was the last time you purchased a mutual fund that you did not already own, either as part of your RRSP or outside of your RRSP? Base: Mutual Funds N=502; * All results significant - Details in the notes

Most Recent New Fund Purchase

ETF investors are more likely to have made a recent purchase than mutual fund investors



- More than half (55%) of ETF investors purchased an ETF in the last year and three quarters (74%) within two years. Past year purchase has increased significantly to 55% from 47%.
- **Profile of ETF purchases in last two years:*** Younger investors (18-44); females; investment portfolio either less than \$50k or 200k+; education college or university graduate; do not own home; and household income of less than 50k or \$100k+.
- Investors from Alberta (87%) are more likely to have made a purchase in the past two years compared to other provinces/ regions.





Assessments of Investment Advisor

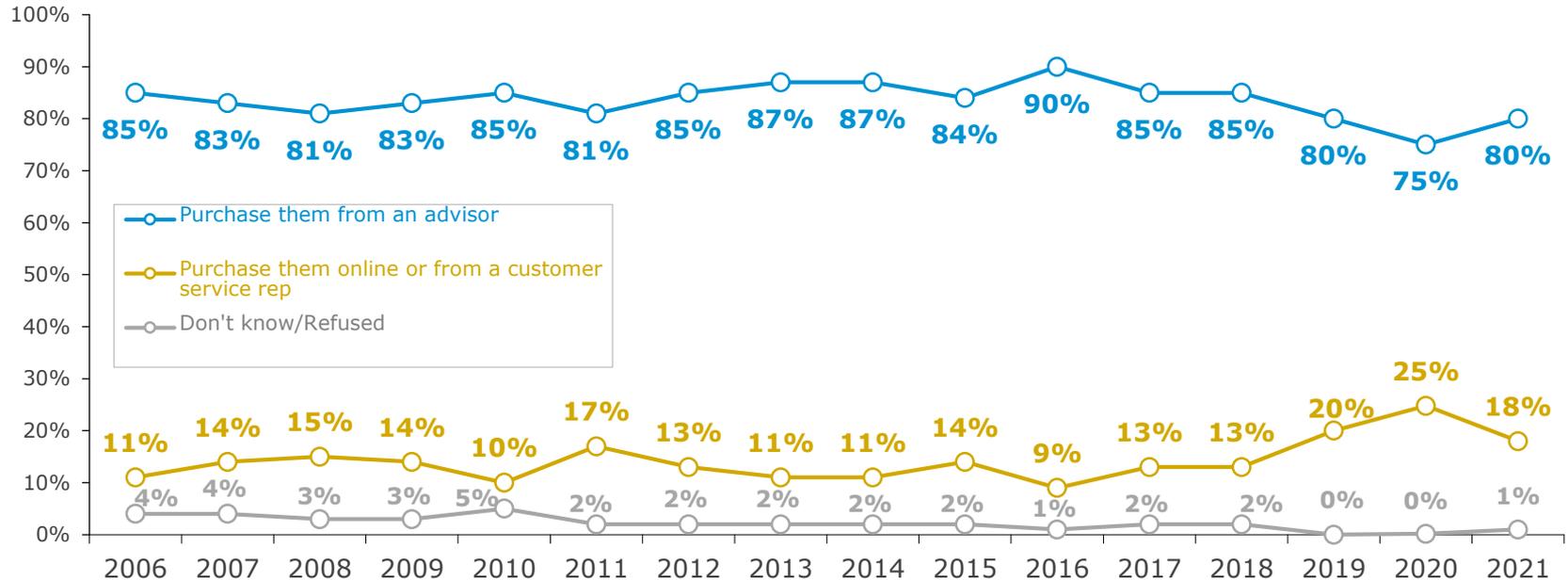


Method of Most Recent Mutual Fund Purchase

The reported use of advisors to purchase investments has increased since last year but declined since 2016.



- Although a majority of investors report buying their last mutual funds from someone who provided advice and guidance, this has declined steadily until 2020. This year, there was a slight increase of 5%.
- The number of investors making online or through customer service rep purchases increased between 2018 and 2020 (by 12%) but went down in 2021 (by 7%) to less than a fifth. Specifically, 4% purchased from a robo-advisor (up from none in 2019), 5% an online broker (down 6 points since 2020) and 9% in another way (down 3 points since 2020).
- **Profile of investors reporting using an advisor:*** Women; older (65+); homeowners; high investment portfolio (\$50k+); and lower income (less than \$50K).



Q15. The last time you purchased this investment, did you purchase from someone who provided you with advice and guidance, through a discount brokerage or direct investing or in another way. Base: Mutual Funds N=676; * All results significant - Details in the notes

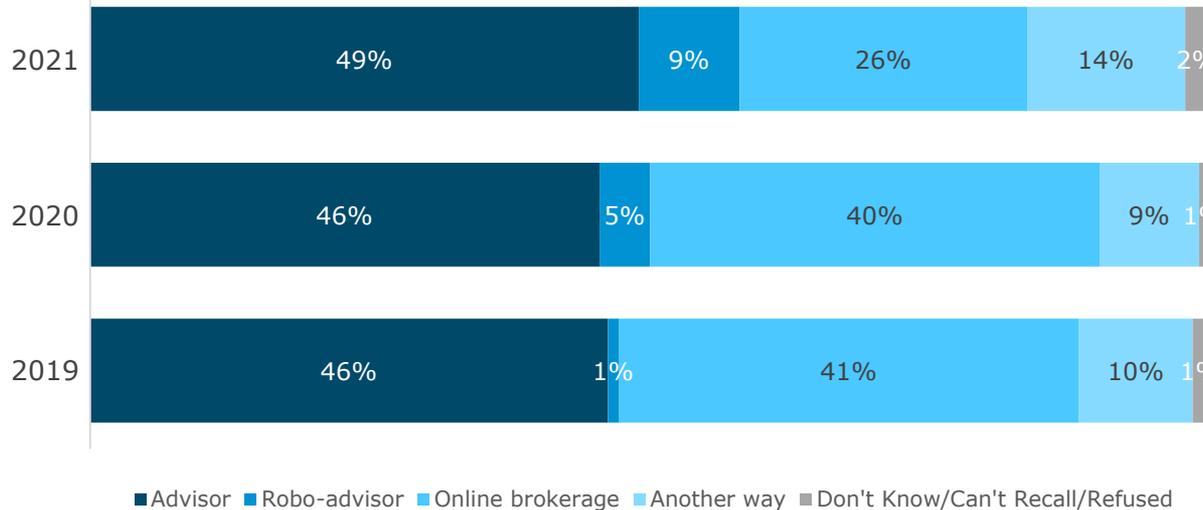
Method of Most Recent Fund Purchase

ETF investors are just as likely to purchase online as they are to use an advisor.

- ETF investors are just as likely to purchase investments through an online brokerage, robo-advisor or other method (49% combined) rather than from someone who provided advice and guidance (49%). This compares to last year when these investors were more likely to use another method (54%) than use an advisor (46%). This year has seen a decline in the use of online brokerages, while seeing a slight increase in the use of robo-advisors, or other methods of purchase.
- ETF investors are significantly more likely to have purchased online than mutual fund investors (49% vs. 18%, a difference of 31% of investors – see previous slide).
- **Profile of online brokerage users:*** Younger and middle aged (18-64); knowledgeable; university graduate; and an income over \$100K.



ETF
Investors



Ever Used an Advisor For New Fund Purchase

ETF investors who did not use an advisor for their last purchase are more likely to have never used one, compared to mutual fund investors.

- Close to half (46%) of the ETF investors who did not use an advisor for their last purchase reported to never use an advisor while only three-in-ten (29%) of the mutual fund investors reported to never use an advisor.
- A little more than a quarter (27%) of the ETF investors and a third (32%) of the mutual fund investors still use an advisor for some purchases.
- Those who no longer use an advisor are most likely to have stopped more than 2 years ago (mutual fund investors 60%, ETF investors 55%).
- **Profile of those who never used an advisor:*** Less knowledgeable; education high school or less; income less than \$50k to \$99k.
- Mutual fund investors in British Columbia (63%) reported to have never used an advisor whereas, ETF investors in Alberta (100%) never used an advisor.



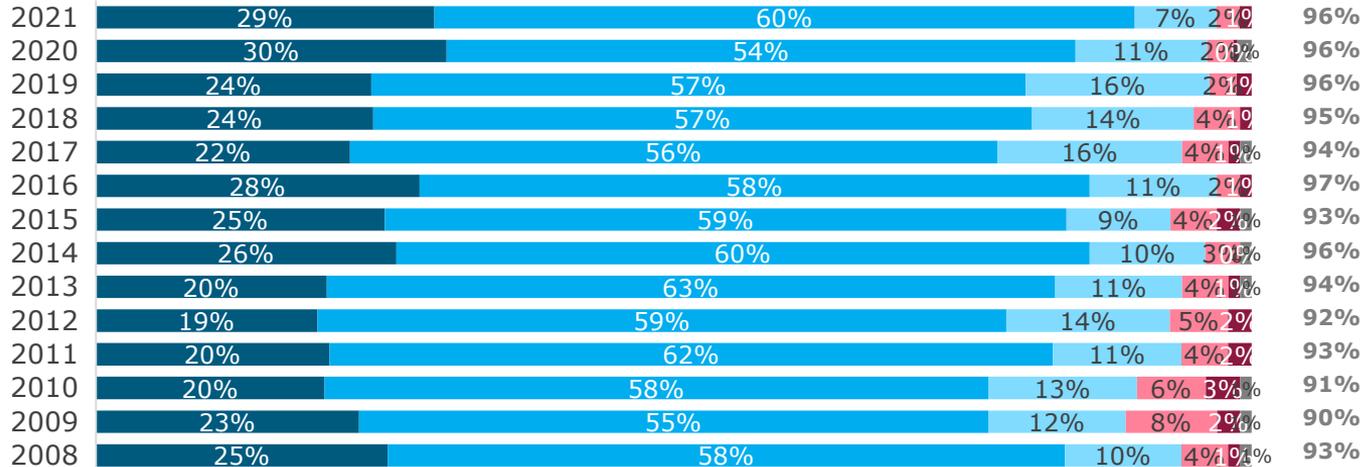
- Have used an advisor in the past, but am no longer using an advisor
- Still use an advisor for some purchases
- Have never used an advisor

Satisfaction with Financial Advisor

Mutual Fund investors are satisfied with their financial advisors.



- Almost all (96%) mutual fund investors who use an advisor are somewhat to very satisfied with the advice given by the advisor, a finding that is consistent since the launch of this survey question in 2008.



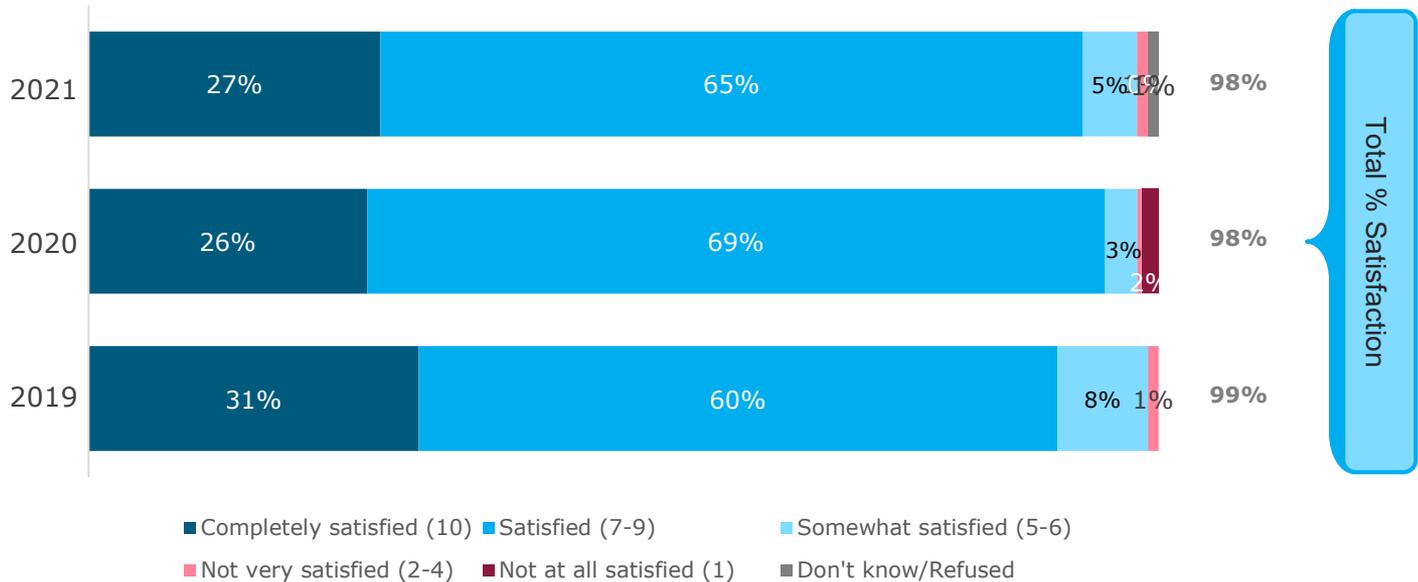
■ Completely satisfied (10)
 ■ Satisfied (7-9)
 ■ Somewhat satisfied (5-6)
 ■ Not very satisfied (2-4)
 ■ Not at all satisfied (1)
 ■ Don't know/Refused

Q31. I would now like to ask you about your relationship with your financial advisor - meaning the advisor who you buy your mutual funds from. Using a scale from 1 to 10 where 1 means 'not at all satisfied' and 10 means 'completely satisfied', how satisfied are you with the advice provided by your financial advisor?/ Q33. I would now like to ask you about your relationship with the advisor who you buy your ETFs and mutual funds from. If you no longer use an advisor, consider the advisor you last purchased from. Using a scale from 1 to 10 where 1 means 'not at all satisfied' and 10 means 'completely satisfied', how satisfied are you with the advice provided by your financial advisor? Base - Purchased mutual funds from advisor: Mutual Funds N=540

Satisfaction with Financial Advisor

ETF investors also report they are satisfied with their financial advisors.

- Almost all (98%) ETF investors who use an advisor are satisfied with the advice they received, a finding that is consistent since 2019.



Q32. I would now like to ask you about your relationship with the advisor who you buy your ETFs from. If you no longer use an advisor, consider the advisor you last purchased from. Using a scale from 1 to 10 where 1 means 'not at all satisfied' and 10 means 'completely satisfied', how satisfied are you with the advice provided by your financial advisor?/ Q33. I would now like to ask you about your relationship with the advisor who you buy your ETFs and mutual funds from. If you no longer use an advisor, consider the advisor you last purchased from. Using a scale from 1 to 10 where 1 means 'not at all satisfied' and 10 means 'completely satisfied', how satisfied are you with the advice provided by your financial advisor? Base: ETF investors who use advisors n=130

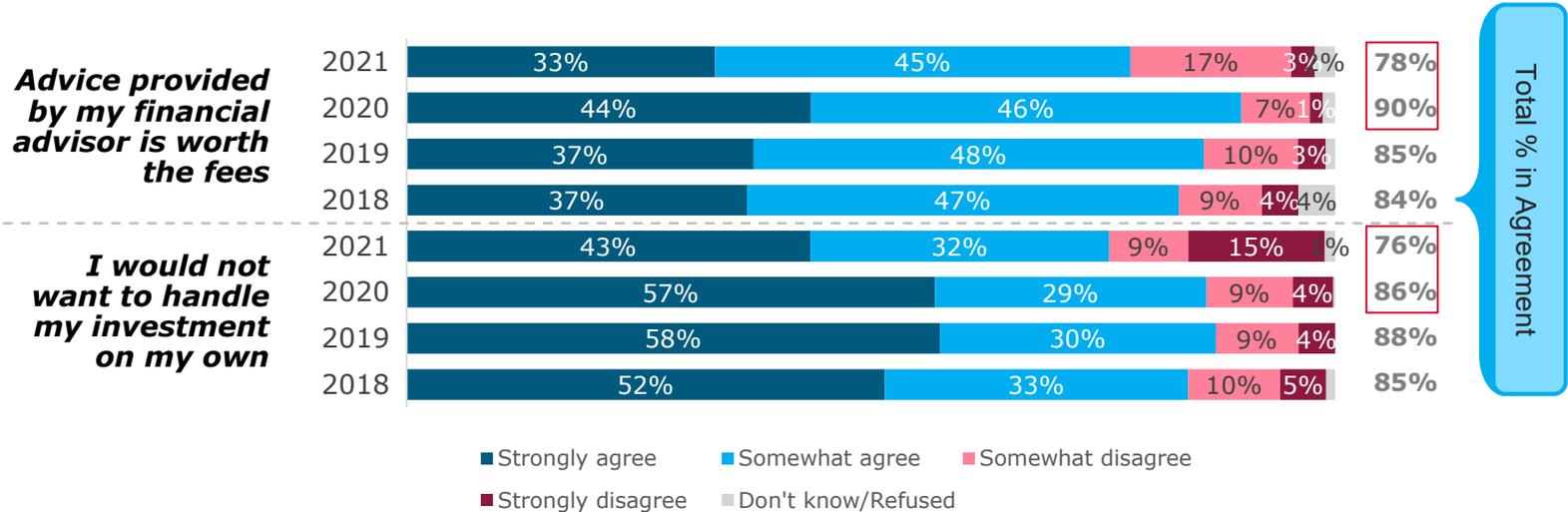
Value of Financial Advisor

Mutual fund investors feel their advisors add a valuable service and are worth the fees, but it has dropped since the last year.



Mutual Fund Investors

- Four-fifths (78%) of the mutual fund investors agree that the advice they get from their advisor is worth the fees, but it significantly decreased by 12% from 2020.
- In addition, most investors would not want to handle investments on their own (76%), a significant decrease since last year (down by 10%).



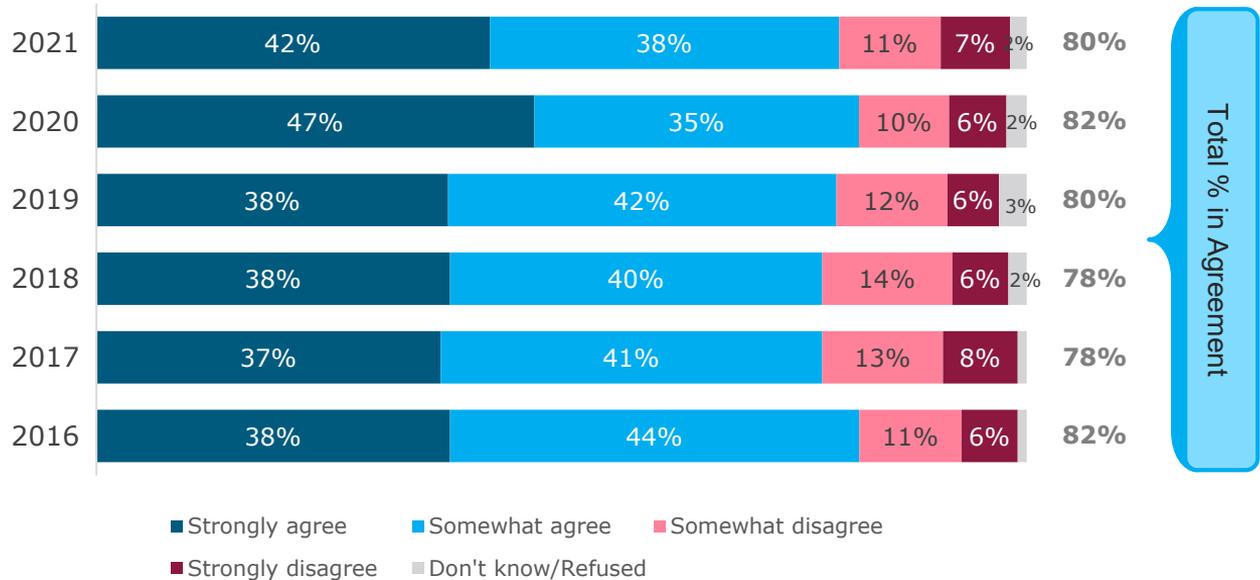
Savings Habits Due to Financial Advisor

Mutual fund investors credit their advisor with fostering better investment habits.



- Four-fifths of mutual fund investors say they have better saving and investment habits because of their advisor, small decrease of 2% from 2020 but similar to 2019.

Because of my advisor, I have better saving and investment habits

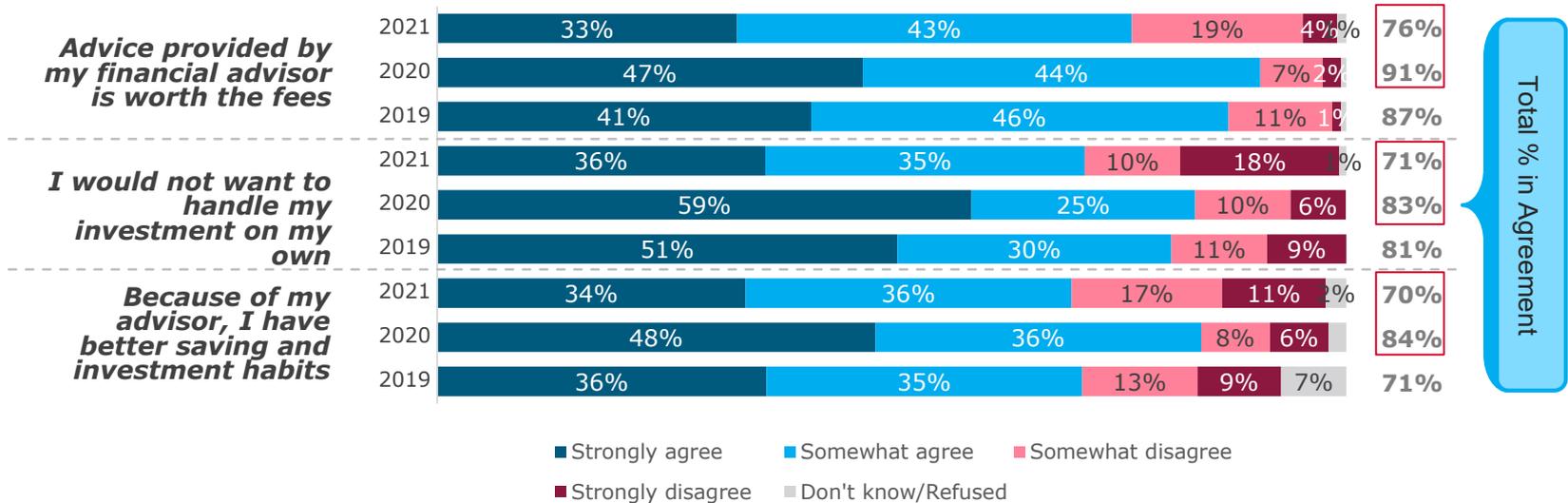


Value of Financial Advisor

ETF investors value advisors and believe they are worth the fees at levels similar to mutual fund investors however, a significant decrease can be noticed since the last year.



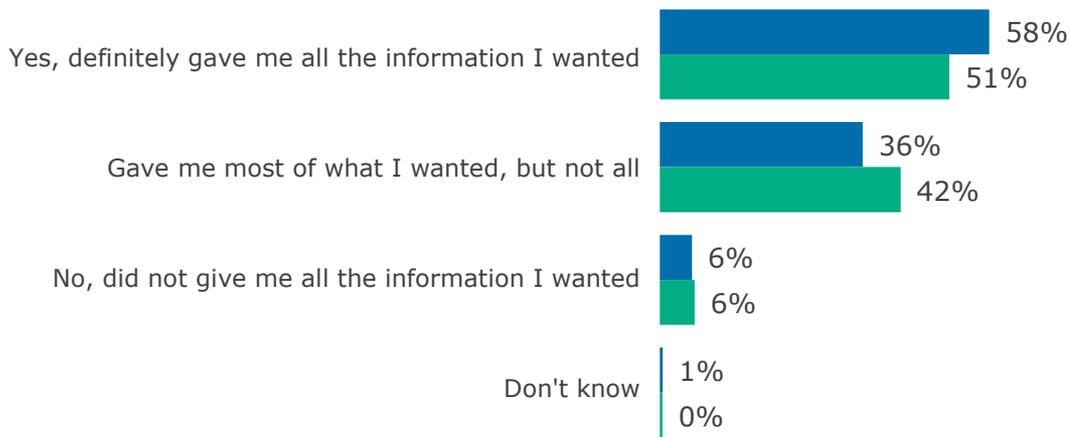
- ETF investors using advisors value the service and advice they receive, but at a dropped rate:
- Three quarters (76%) of the ETF investors agree that advisors provide advice that is worth the fees, a significant decrease of 15% since last year.
- Seven-in-ten (71%) would not want to handle investments on their own, a significant decrease of 12% since 2020.
- And seven-in-ten also now agree that they have better investing habits because they use an advisor, a significant decrease of 14%.



Information or Advice Given by Financial Advisor

More than half of the investors reported to have received all the information that they wanted from their advisor.

- More than half of the mutual fund (58%) and ETF (51%) investors reported their advisor gave them all the information they wanted.
- A third (36%) of the mutual fund investors and two-fifths (42%) of the ETF investors reported they got most of the information that they wanted but not all.
- 6% of both the mutual fund and ETF investors said their advisor did not give them all the information they wanted.

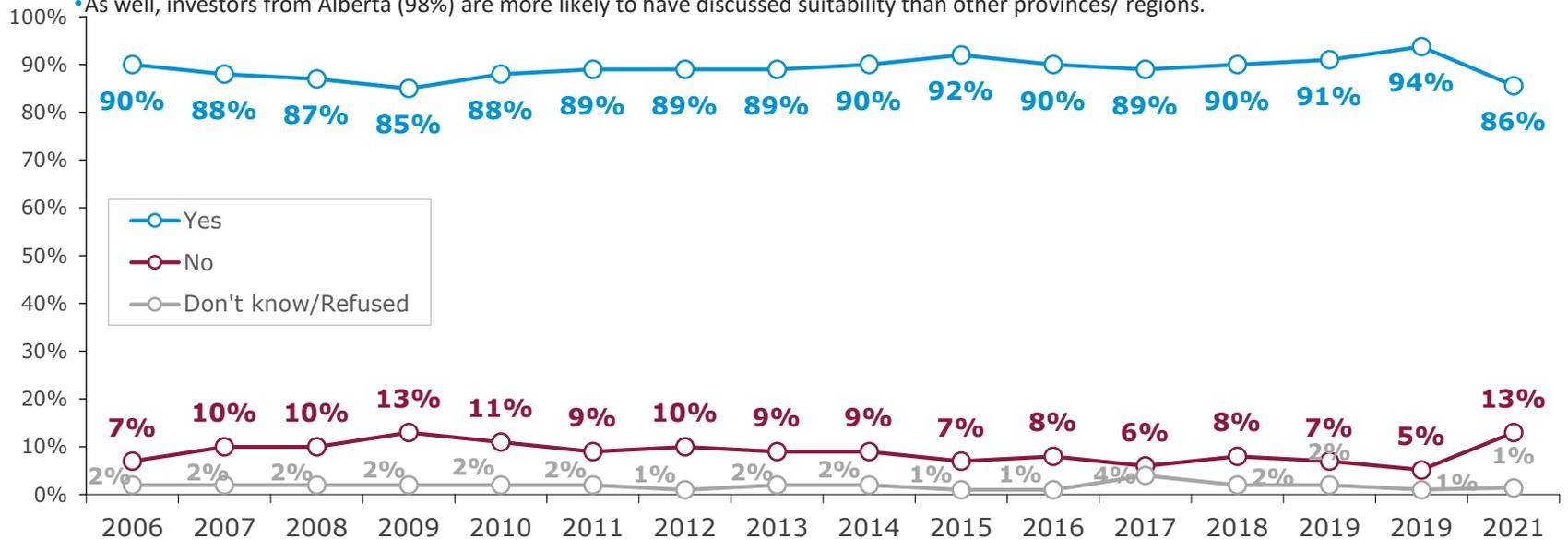


Whether Advisors Discussed Suitability

Mutual fund investors report that most advisors discuss the suitability of a mutual fund for reaching financial goals, but the levels dropped this year.



- Similar to other years, mutual fund investors who purchased from an advisor report that most (86%) advisors will talk to them about how mutual funds will help meet financial goals, a decrease of 8% since last year.
- This is an all time low, as the number of investors reporting that they discussed the suitability of mutual funds has been relatively stable since the launch of the survey in 2008.
- **Profile of investors discussing suitability:*** Female; holding investment portfolio of \$50k-199k; and moderate to high levels of knowledge are more likely to have this discussion.
- As well, investors from Alberta (98%) are more likely to have discussed suitability than other provinces/ regions.



Q27. Thinking back to the last time you invested in mutual funds, did your advisor: Discuss how well suited that mutual fund is for reaching your investment objectives?
 Base: Purchased mutual funds from advisor N=640; * All results significant - Details in the notes

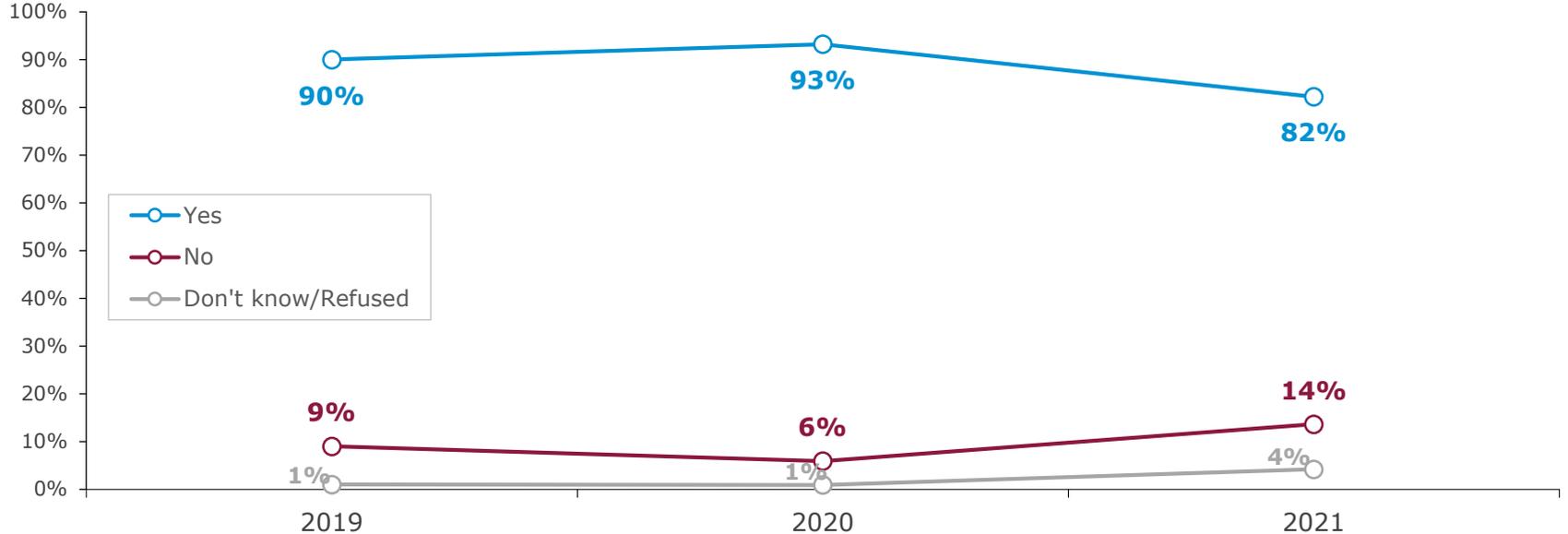
Whether Advisors Discussed Suitability

Similar to mutual fund investors, ETF investors report that advisors discuss the suitability of a mutual fund for reaching financial goals, but at a declined rate.



ETF
Investors

- Four-fifths (82%) of the ETF investors who purchased from an advisor report that the advisor talked to them about how mutual funds will help meet financial goals, a significant decrease (11%) from 2020.
- **Profile of investors discussing suitability:*** Younger (18-44); homeowners; and low income earners (<\$50K) are more likely to have this discussion.
- Alberta ETF investors (100%) are more likely to say they discussed suitability compared to other provinces and regions.





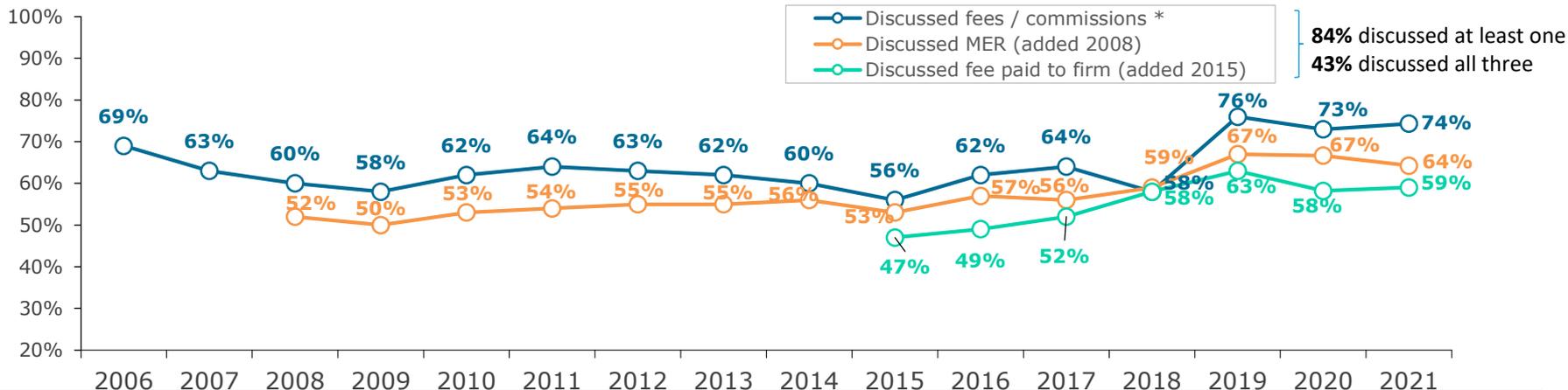
Attitudes Towards and Knowledge of Fees

Discussion of Compensation/Fees/MER with Advisor

Advisors are more likely to discuss fees associated with buying and selling mutual fund investors rather than management or firm fees.



- Most (84%) investors purchasing from an advisor report that advisors have discussed at least one aspect fees mentioned – consistent with the findings of 2020, but only two-fifths (43%) report that the advisor mentioned all three – a slight decline of 2% since last year.
- In the past three years, advisors are more likely to discuss fees associated with buying and selling mutual funds, with three-quarters (74%) reporting an advisor mentioned these fees, a small increase (1%) from 2020, but still significantly more than 2007 through to 2018.
- A majority (64%) of investors report having a conversation about MER, a bit less than the last year (down by 3%) but significantly higher than 2008 to 2018.
- Although not discussed as often, a majority (59%) discuss fees paid to the firm, a small increase of 1% from 2020 but a decrease of 4% from 2019 and similar to 2018 when investors reported a significant jump in these discussions.



* Wording has changed from Discuss whether or not you will be charged a sales commission when you buy or sell the mutual fund – also called ‘front-end load’ and ‘back-end load’ fees in 2018 to Discuss whether or not your will be charged any fees when buying or selling your mutual fund. This can be called a front-end or back-end load or a trading fee in 2019

Q28-Q30. Thinking back to the last time you invested in mutual funds, did your advisor: Discuss whether or not you will be charged any fees when buying or selling your mutual fund/ETF/ mutual fund or ETF. This can be called a front-end or back-end load or a trading fee? Discuss the fee the mutual fund / ETF / mutual fund or ETF company receives for managing, distributing and administering the fund, also known as the Management Expense Ratio or the MER? Discuss the fee paid to the firm where your advisor works? Base - Purchased mutual funds from advisor: Mutual Funds N=640

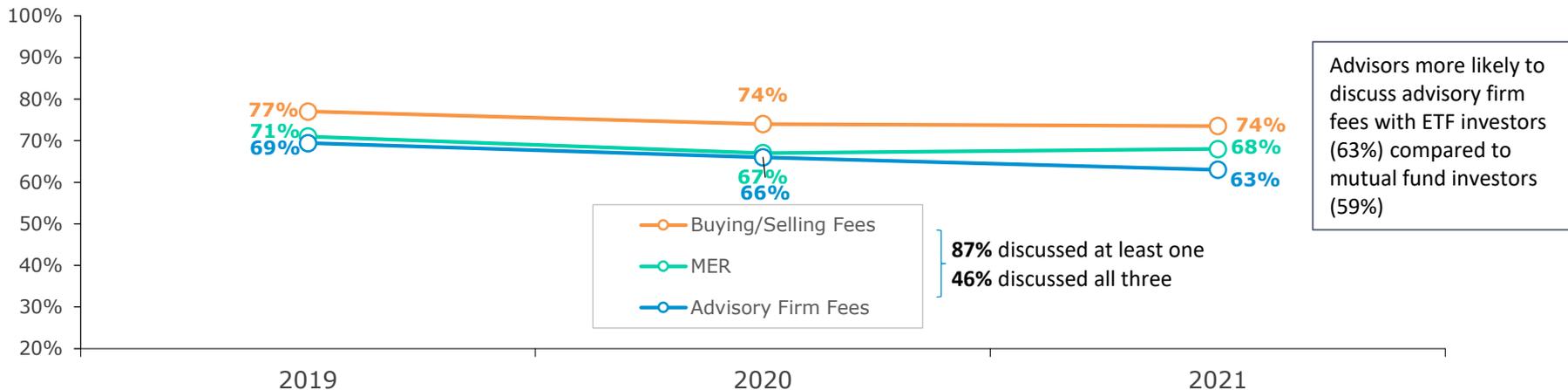
Discussion of Compensation/Fees/MER with Advisor

Similar to mutual fund investors, advisors are more likely to discuss fees associated with buying and selling ETFs rather than management or firm fees.



ETF
Investors

- Most (87%) investors purchasing ETFs from an advisor report that advisors discussed at least one of the fees mentioned – a slight increase of 1% since last year, but only close to half (46%) report the advisor mentioned all three (a slight decrease of 3% since 2020) – similar to mutual fund investors.
- Three-quarters (74%) of those purchasing ETFs from an advisor say the advisor mentioned fees/ compensation, consistent with 2020.
- A majority (68%) of investors report having a conversation about MER, a small increase (1%) from 2020.
- A majority (63%) discussed fees paid to the firm, a small decrease (3%) from 2020.



Q28-Q30. Thinking back to the last time you invested in ETFs, did your advisor: Discuss how well suited that ETF is for reaching your investment objectives? Discuss whether or not you will be charged any fees when buying or selling your mutual fund/ETF/mutual fund or ETF. This can be called a front-end or back-end load or a trading fee? Discuss the fee the mutual fund/ETF/mutual fund or ETF company receives for managing, distributing and administering the fund, also known as the Management Expense Ratio or the MER? Discuss the fee paid to the firm where your advisor works? Base - Purchased mutual funds from advisor ETFs N=209

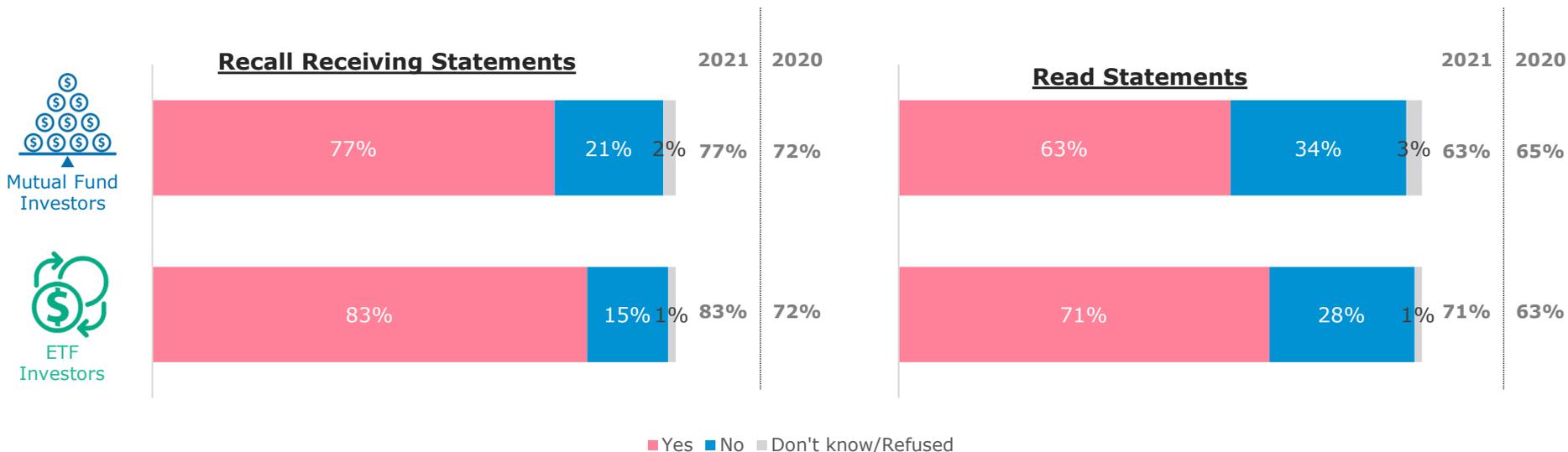


Information Requirements and Investment Statements

Fee and Performance (CRM2) Statement

Investors recall receiving their annual fee and performance (CRM2) statement this year although fewer have read the statements.

- A majority (77% mutual funds and 83% of the ETF investors) recall receiving statements this year, up only slightly for mutual funds (by 5%, from 72% in 2020) and significantly higher for ETF (up by 11%, from 72% in the last year).
- A majority of both mutual fund (63%) and ETF (71%), read the statements.
- The number of ETF investors reading their statement increased significantly this year (63% in 2020 to 71% +8%, similar to 2019 levels). There was a minor decrease in mutual fund investors who read their statement (65% in 2020).
- **Profile of mutual fund and ETF investors who read statements:*** Middle aged (45-64); knowledgeable; university graduate; and homeowners.



Q50. Do you recall receiving annual fees and performance statement/(s) for your investments this year?

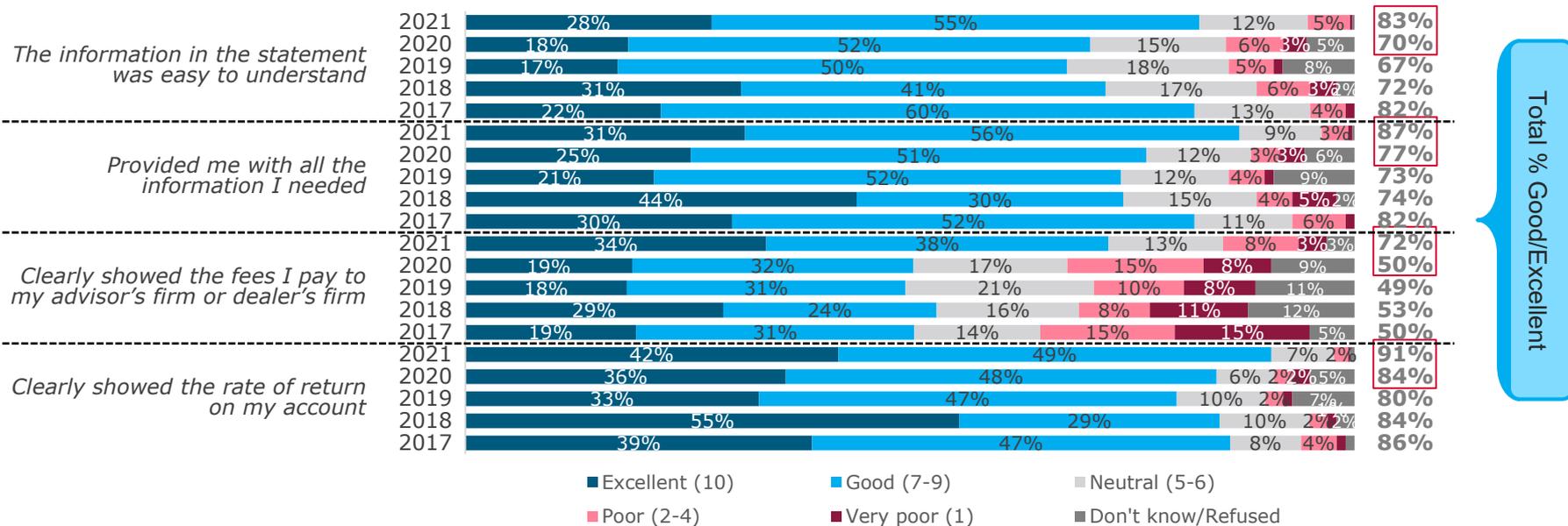
Q51. Have you read the annual fees and performance statement/(s) that you received for your investments this year? Base: Mutual Funds N=676, ETFs N=232; * All results significant - Details in the notes

Rating of Annual Statement

Mutual fund investor satisfaction with the quality of information on their statements increased significantly this year.



- Following a small decline on each indicator between 2018 and 2019, satisfaction ratings increased significantly in 2021 which potentially suggests a return to 2017 levels of satisfaction or higher.
- Investors stay most satisfied with how the rate of return is shown on the statements (91%), followed by satisfaction that the statement provided all information needed (87%) and ease of understanding the statement (83%).
- Investors stay the least satisfied (72%) with clarity concerning the fees paid to the advisor's or dealer's firm – one-in-ten (12%) rate the statements poorly on this indicator giving it a one through five out of ten score.



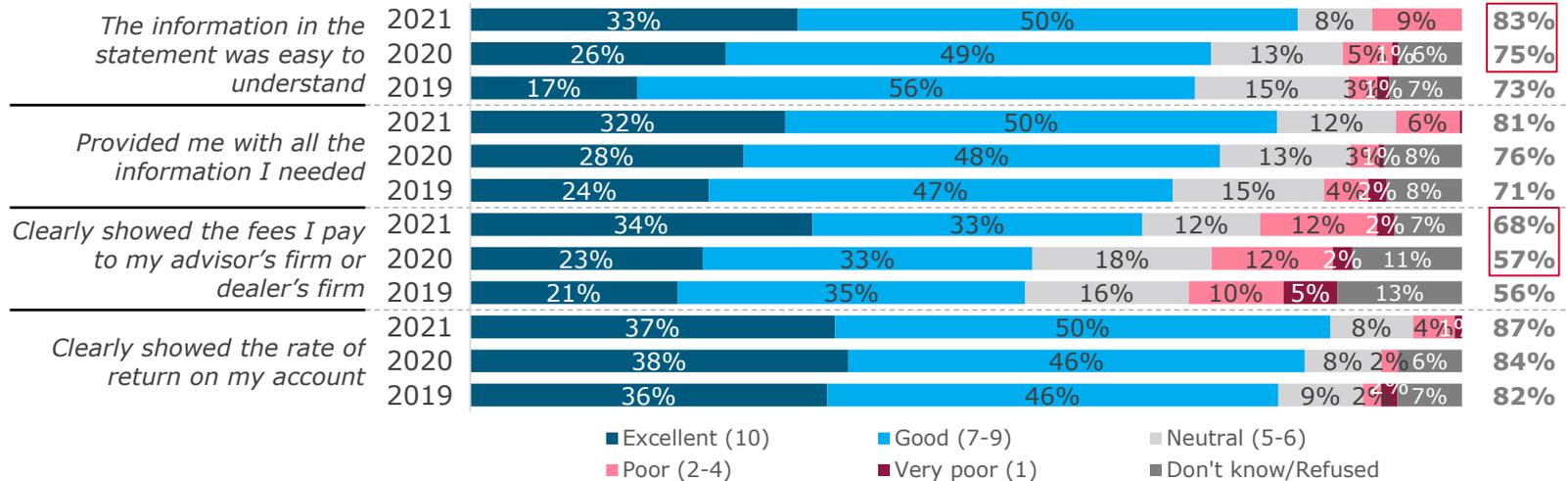
Q52- Q55 Using a scale from 1 to 10 where 1 means 'very poor' and 10 means 'excellent', please rate the quality of the information you received in your annual fees and performance statement/(s) about your investments in each of the following areas. Base: Mutual Funds N=445

Quality of Information Materials

ETF investor satisfaction with statements increased this year and are comparable to the satisfaction of mutual fund investors.



- ETF investor satisfaction with their statements increased on all indicators, the most significant increase (by 11%) on clearly showing the fees paid to the advisor's firm or dealer's firm.
- ETF investors are most satisfied with how the rate of return is shown on the statements (87%, a small increase of 3% since 2020), followed by ease of understanding the information (83%) and satisfaction with the information provided (81%).
- Investors are the least satisfied (68%) with clarity concerning the fees paid to the advisor's or dealer's firm although this has increased significantly (by 11%) since the last year.



Total % Good/Excellent

Q52- Q55. Using a scale from 1 to 10 where 1 means 'very poor' and 10 means 'excellent', please rate the quality of the information materials you received about your investments in each of the following areas. Base: those who recall receiving their annual statement for mutual fund account this year Base: ETFs N=165

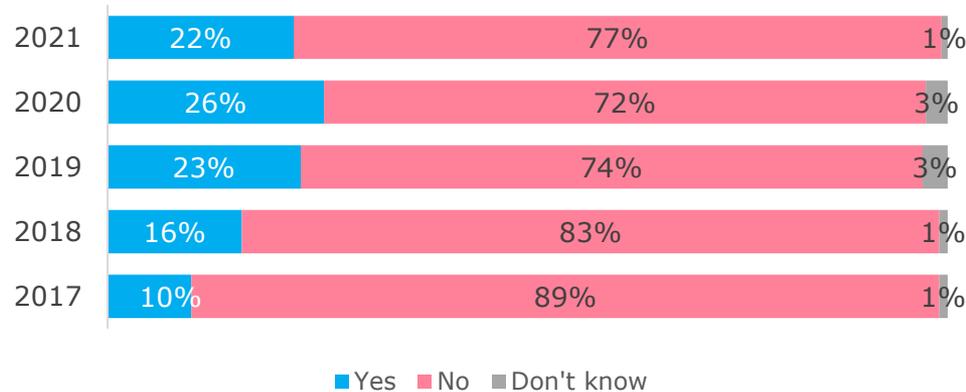
Action Taken Due to Changes

While a majority of mutual fund investors do not take action based on information in the statement, this year the number of investors taking action decreased.



- While only a fifth (22%) of investors report taking action based on information, this shows a small decrease since 2020 but a significant increase since the launch of CRM2 in 2017.
- **Profile of investors taking action:** Knowledgeable; female; younger 18-44 years old; and university graduate.
- As well, investors from Quebec (42%) are more likely to take action than other provinces/ regions.

Information Cause a Change in Action



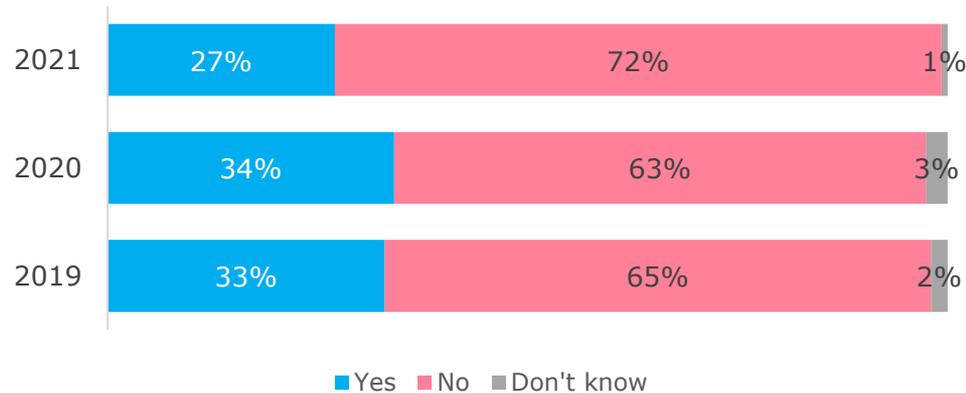
Action Taken Due to Changes

While ETF investors are more likely to take action than mutual fund investors, the likelihood has also declined among this group.



- Just over one-quarter (27%) of ETF investors have made a change due to information in their statement.
- While this is higher than the proportion of mutual fund investors who do the same (22%), it is a slight decline since last year.
- **Profile of ETF investors taking action:** Moderately knowledgeable; female; younger 18-44 and 65+ years old; and university graduates.

Information Cause a Change in Action



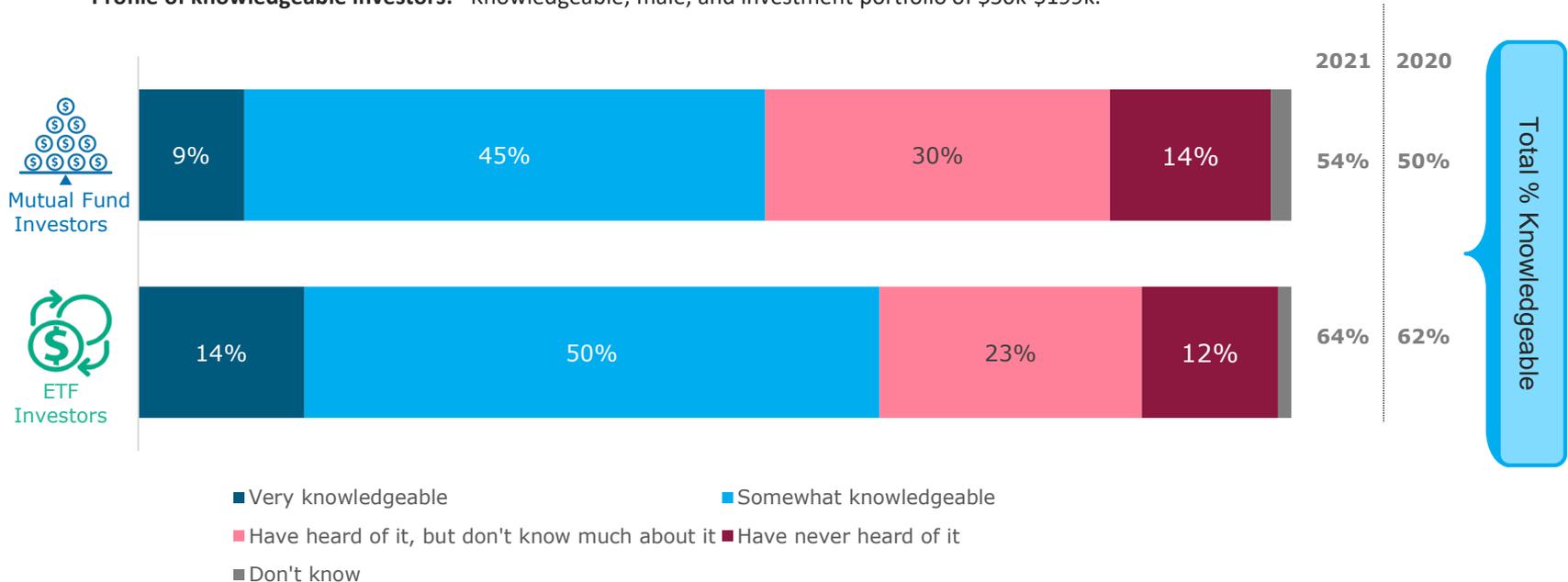


Awareness and Attitudes Toward Responsible and Impact Investments

Responsible Investing Awareness

Investors are aware of responsible investing but not that knowledgeable.

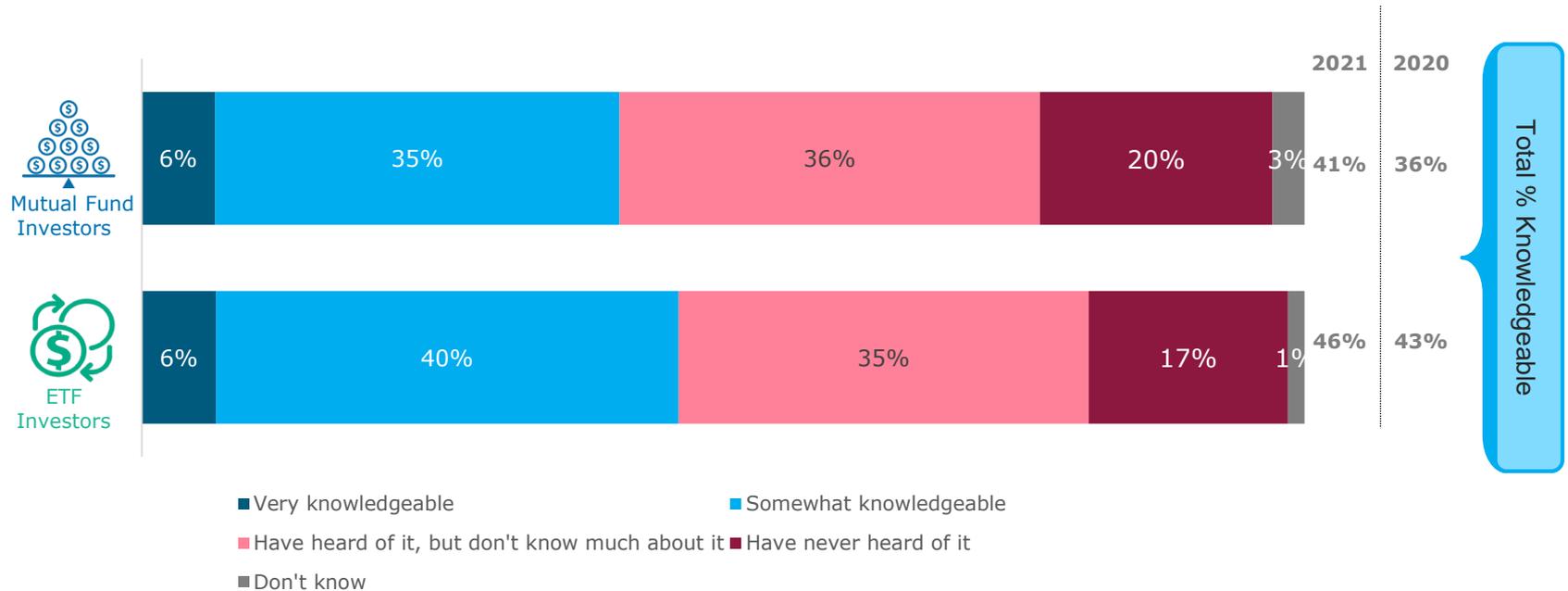
- ETF investors are significantly more likely to be very or somewhat knowledgeable (64%) about responsible investing compared to mutual fund investors (54%).
- Results among both investor types are similar compared to last year, with knowledge increasing by 2% among ETF investors and 4% among mutual fund investors.
- **Profile of knowledgeable investors:*** Knowledgeable; male; and investment portfolio of \$50k-\$199k.



Awareness of Impact Investing

A majority of investors are aware of impact investing but few are very knowledgeable.

- ETF investors are more likely to be very or somewhat knowledgeable (46%) about impact investing compared to mutual fund investors (41%).
- Knowledge has increased for both investor types compared to last year (ETF investors +3%, mutual fund investors +5%).
- Investors are more knowledgeable about responsible investing than they are impact investing.
- **Profile of knowledgeable investors:*** Knowledgeable; and female.



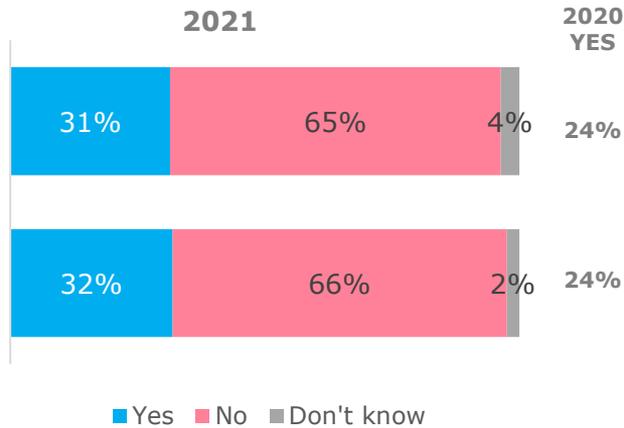
Q58. Impact Investing: Investments made into companies, organizations and funds with the intention to generate a measurable, beneficial social or environmental impact alongside financial returns. Would you say you are...? Base: Mutual Funds N=676, ETFs N=232; * All results significant - Details in the notes

Inclusion of Responsible Investments in Portfolio

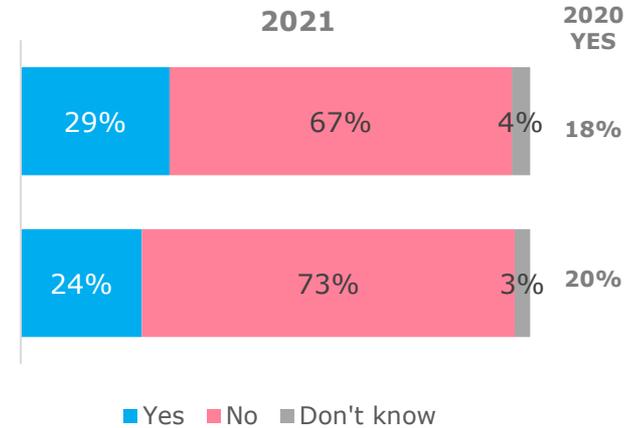
While a minority of investors have been asked to include Responsible or Impact investing in their portfolio, this has increased since last year

- Only a third of investors (both mutual fund and ETF) report that their advisor or financial institution has asked them if they are interested in responsible investments, noticeable increase in both the categories (mutual funds by 7% and ETF by 8%) since last year.
- And only a quarter of investors, both mutual fund (29%) and ETF (24%), report that their advisor or financial institution has asked them if they are interested in impact investments, significant increase of 11% for mutual fund and a slight increase of 4% for ETF investors since 2020.

Asked if interested in responsible investments (environmental, social and governance)



Asked if interested in impact investments (companies, organizations and Impact Investing)



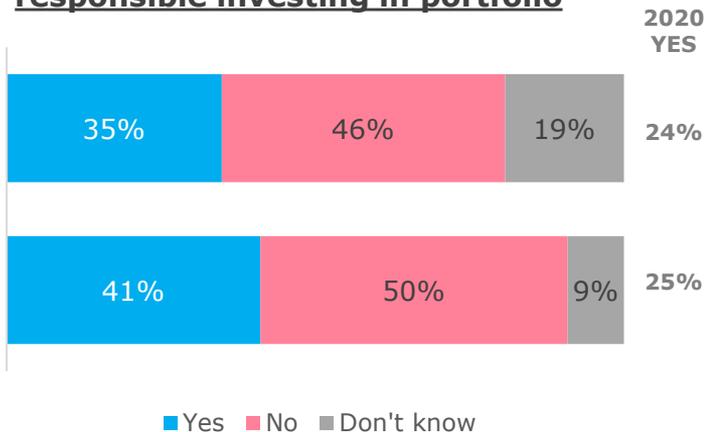
Q59. Including responsible investments that incorporate environmental, social and governance criteria into your investment portfolio? / Q60. Including investments made into companies, organizations and funds with the intentions to generate a measurable, beneficial social or environmental impact alongside financial returns (also called Impact Investing)
Base: Mutual Funds N=676, ETFs N=232

Inclusion of Responsible Investments in Portfolio

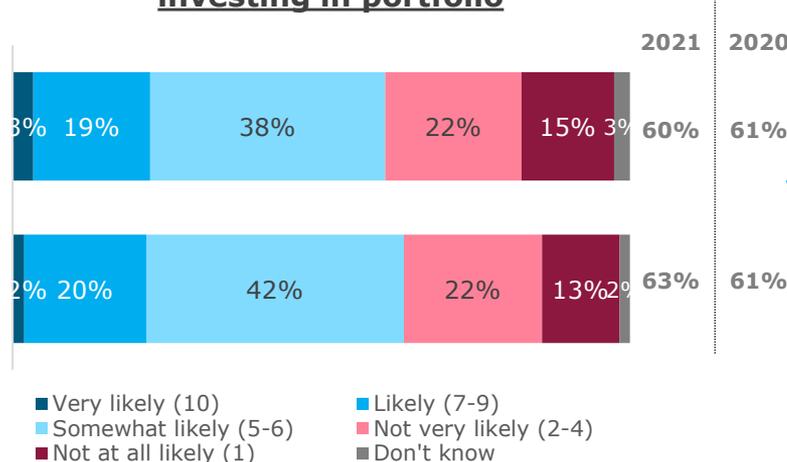
While close to two-fifths of investors currently own responsible investments, a majority may include them in the future.

- A third of mutual fund (35%) and two-fifths of ETF (41%) investors currently own responsible investments, significant increase for both mutual funds (by 11%) and ETF (by 16%) investors since 2020.
- A majority of both mutual fund (60%) and ETF (63%) who do not currently own responsible investments believe they may include these investments in their portfolio in the next couple of years. That said, only a fifth of both the mutual fund and ETF investors say this is likely (rated 7 to 10 – mutual fund investors 22%, ETF investors 22%).

Currently have funds for responsible investing in portfolio



Likelihood of including responsible investing in portfolio



Total % Likely

60% 61%

63% 61%

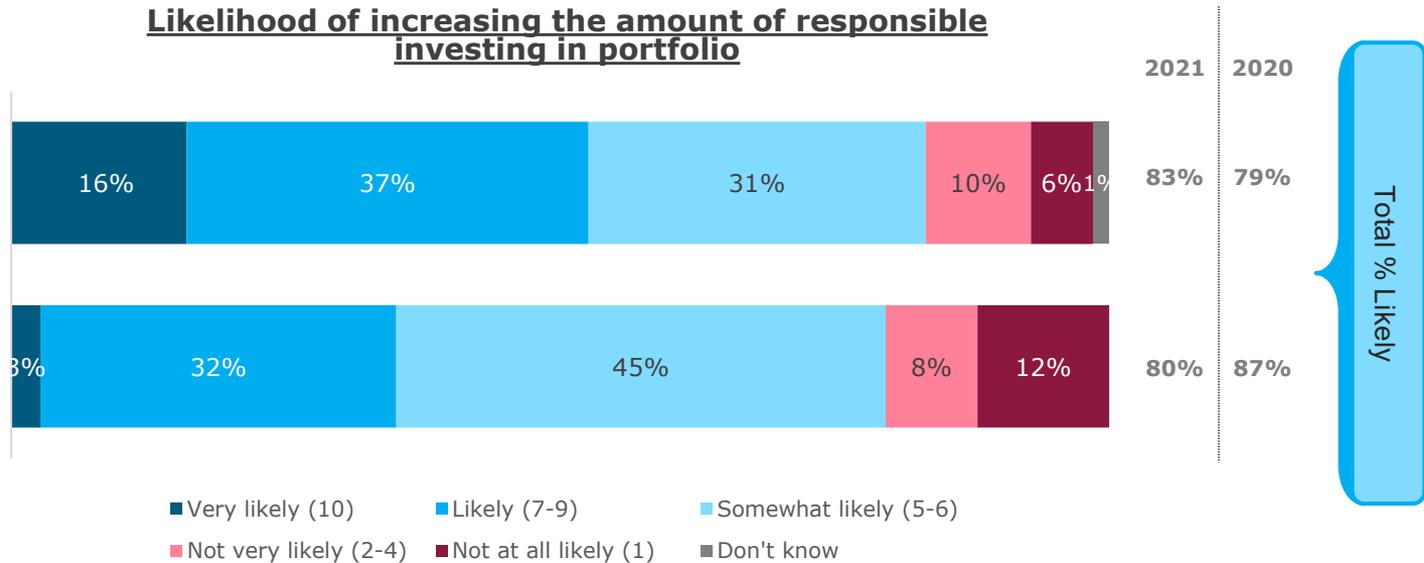
Q61. Thinking of the funds that you own, are any of these funds responsible investing funds that emphasize environmental, social and governance criteria or are any of these funds impact investing funds? Base: Mutual Funds N=676, ETFs N=232 / Q62. On a scale of 1 to 10 where 1 means not at all likely and 10 means very likely, how likely are you to include responsible investments or impact investments into your investment portfolio over the next couple of years? Base- Does not own ESG funds: Mutual Funds N=459, ETFs N=148; *No significant subgroup differences

Addition of Responsible Investments

Investors who already own responsible investments are likely to increase the amount of these products in their portfolio over the next few years.

- The majority of all investors who currently include responsible investments in their portfolio expect to increase responsible investments in the next few years, with at least eight-in-ten saying they may and more than half of the mutual fund (53%) and a third of the ETF (35%) investors saying this is likely.
- Compared to last year's findings, mutual fund investors are more likely to increase the responsible investments (up by +4%), whereas ETF investors think this is less likely (down by -7%).

Likelihood of increasing the amount of responsible investing in portfolio

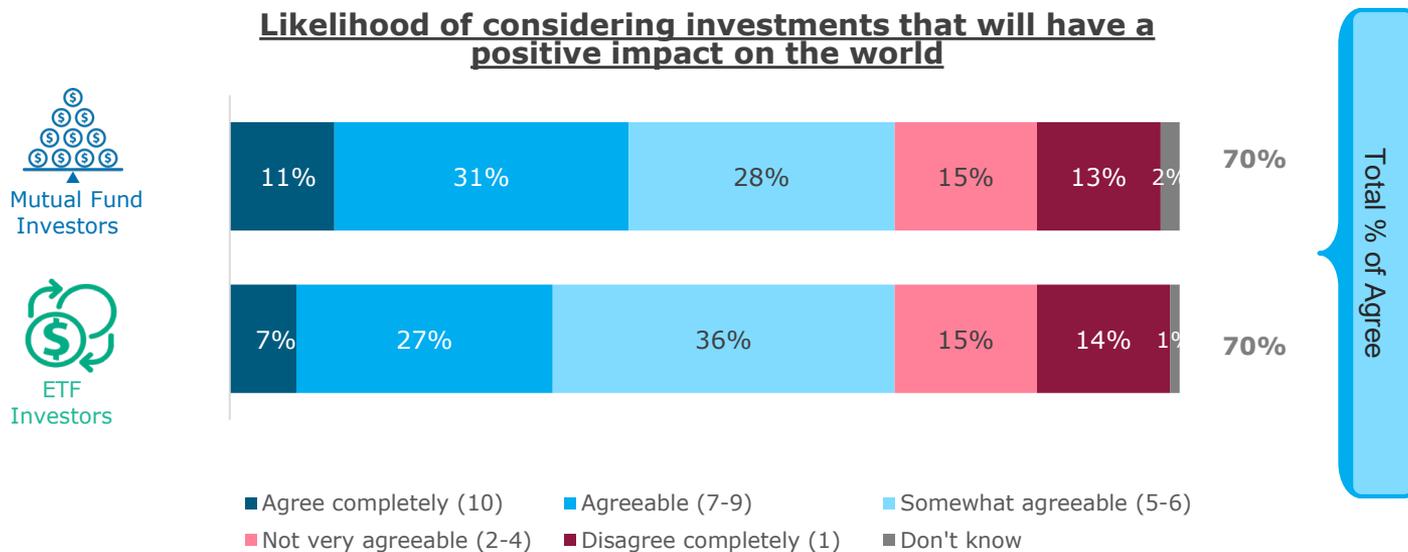


Q63. On a scale of 1 to 10 where 1 means not at all likely and 10 means very likely, how likely are you to increase the amount of responsible investments you have in your investment portfolio over the next couple of years? Base- Owns ESG funds: Mutual Funds N=179, ETFs N=59

Impact of Pandemic on Investments

Most investors agree that the events of the past year has made them more likely to consider investments that will have a positive impact on the world.

- Seven-in-ten investors in both the categories completely to somewhat agree that the events of the past year has made them more likely to consider investments that will have a positive impact on the world.
- Close to a sixth of both the mutual fund (13%) and ETF (14%) investors disagree completely with the idea.



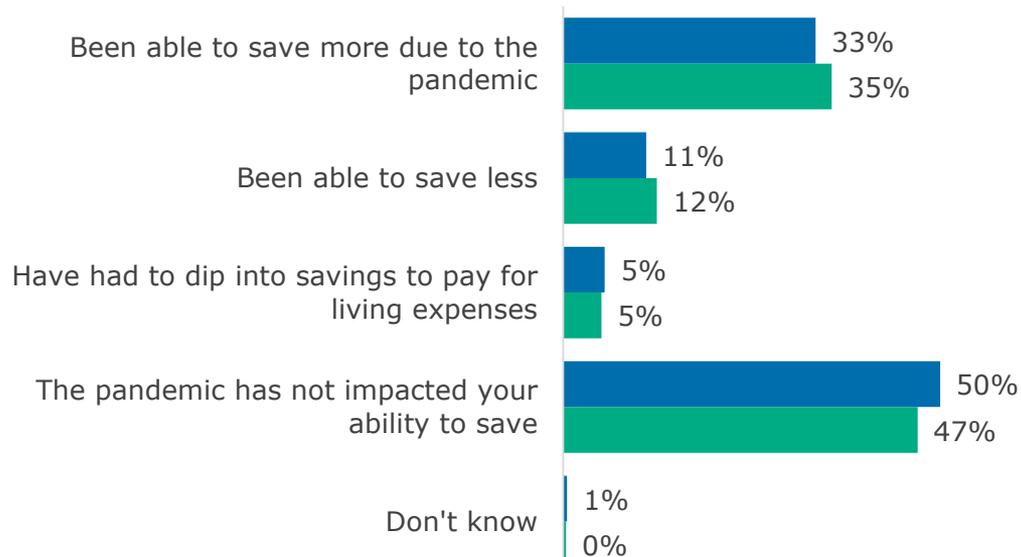


Impact of COVID-19 on Investors

Impact of COVID-19

A third of the investors were able to save more due to the pandemic.

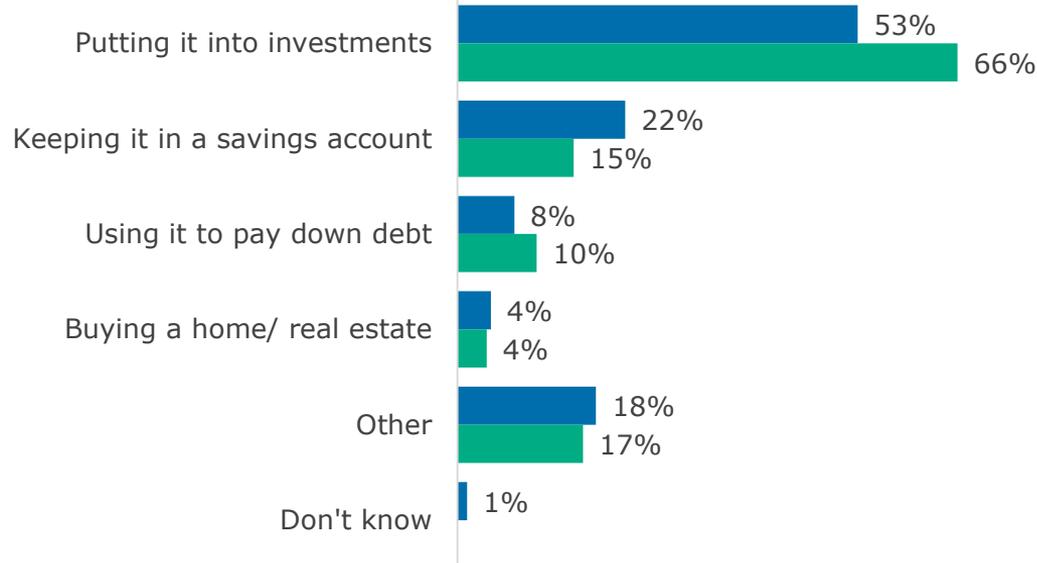
- For both the categories, a third of the mutual fund (33%) and ETF (35%) investors reported to have save more due to the pandemic while a close to one-fifth either saved less or had to dip into savings (mutual fund investors 16%, ETF investors 17%).
- Half of the mutual fund (50%) and ETF (47%) investors said that the pandemic has not impacted their ability to save.
- **Profile of investors who saved more:*** Female; education high school or less or university graduates; income more than \$100k; mutual fund investors who are homeowners; and having an investment portfolio of less than \$50k.



Plans With Extra Savings

Most of the investors plan to put their extra savings into investments.

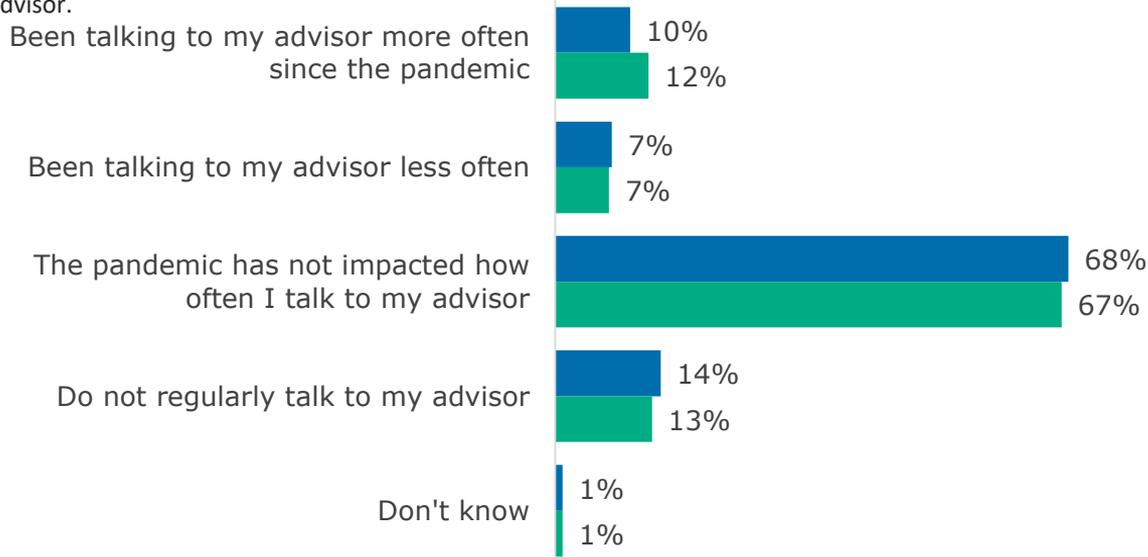
- Of those who saved more, half of the mutual fund (53%) and two-thirds of the ETF investors are planning to put their extra savings into investments.
- A fifth (22%) of the mutual fund and a sixth (15%) of the ETF investors plan to keep their savings in a savings account while a tenth of both the mutual fund (8%) and ETF (10%) investors plan to use it to pay down their debt.
- **Profile of investors putting extra savings into investments***: Knowledgeable; younger (18-44 years old); income more than \$100k; do not own home; and investment portfolio of less than \$50k.



Communication With the Advisor

Most of the investors reported COVID-19 has no impact on how frequently they talk to their advisor.

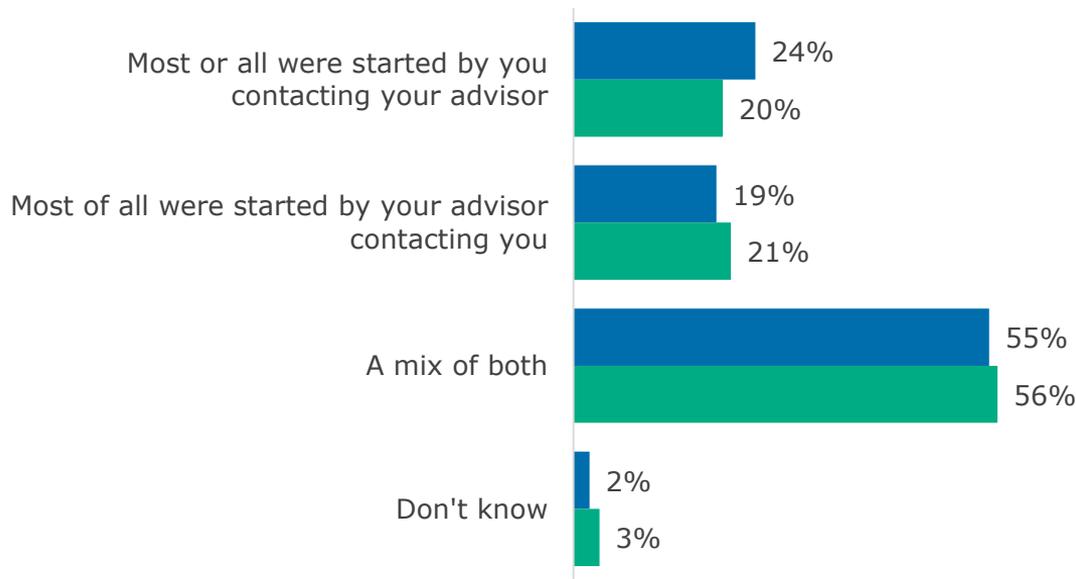
- Two-thirds of both the mutual fund (68%) and ETF (67%) investors reported that the pandemic has not impacted how often they talk to their advisor while 10% of mutual fund and 12% of the ETF investors have been talking to their advisor more often since the pandemic.
- **Profile of investors for whom the pandemic has not impacted how often they talk to their advisor:*** Mutual fund investors are knowledgeable while ETF investors have less knowledge; mutual fund investors aged 18-44 and ETF investors age 65+; low income (less than \$50k); homeowners; and investment portfolio of more than \$50k.
- Mutual fund investors in Manitoba/Saskatchewan (81%) and British Columbia (80%) and ETF investors in Manitoba/Saskatchewan (98%) are not impacted by the pandemic for how often they talk to their advisor.



Initiating Conversations with Advisor: Before the Pandemic

Most of the investors had a two-way communication initiation when it comes to conversation with their advisor.

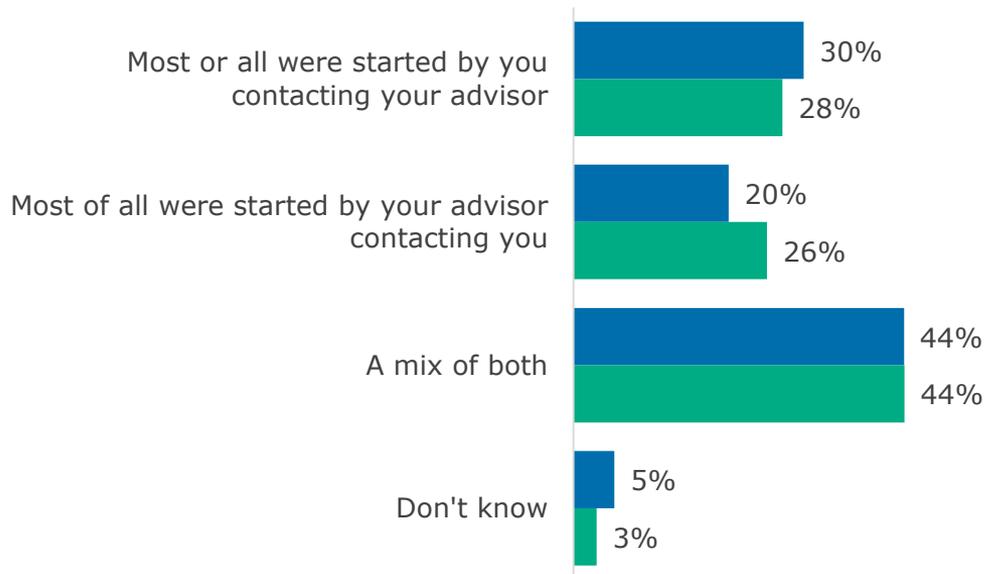
- More than half of the mutual fund (55%) and ETF (56%) investors had a mix of both conversations initiated by their advisor and by themselves before the pandemic.
- A quarter of the mutual fund and a fifth of the ETF investors had most or all the conversations started by them contacting their advisor while a fifth of both categories has most or all the conversations started by their advisor.



Initiating Conversations with Advisor: Since the Pandemic

Investors were more likely to have reached out to their advisor since the pandemic than before.

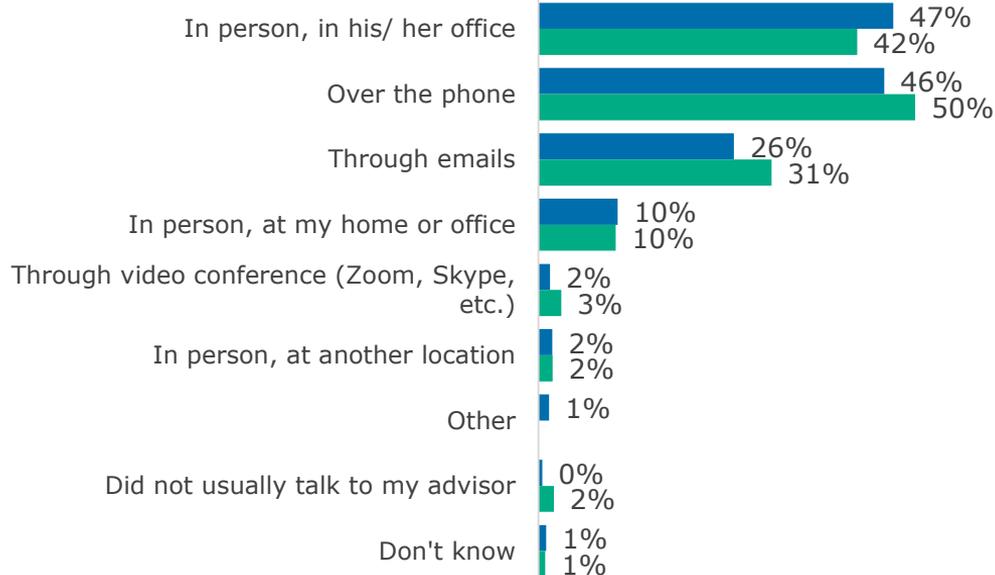
- Two-fifths of both the mutual fund (44%) and ETF (44%) investors have a mix of both conversations initiated by their advisor and by themselves since the pandemic.
- Since the onset of the pandemic, investors were more likely to initiate communication with their advisors (mutual fund: up by 6% and ETF: up by 8%).
- Close to a third (30%) of the mutual fund and more than a quarter (28%) of the ETF investors had most or all the conversations started by them contacting their advisor. In addition, a fifth of mutual fund and a quarter of the ETF investors has most or all the conversations started by their advisor.



Communication Method: Before the Pandemic

Most investors met their advisor in person or communicated over the phone.

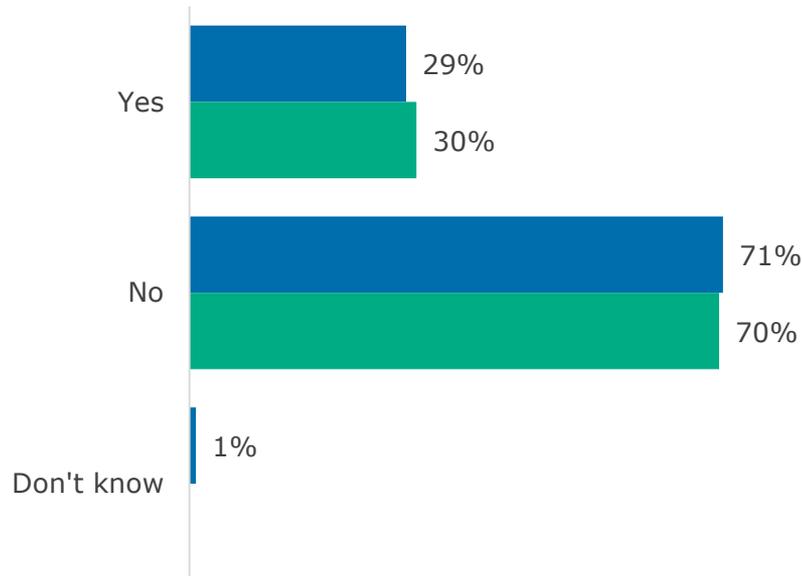
- Close to half (47%) of the mutual fund and two-fifths (42%) of the ETF investors met their advisor in person, in the advisor's office while 46% of the mutual fund and half of the ETF investors communicated over the phone.
- A quarter of the mutual fund and close to a third (31%) of the ETF investors communicated through emails.
- **Profile of investors who used to meet their advisor in his/her office before the pandemic:*** Younger (18-44 years old); income \$50k-99k; females; and mutual fund investors who are university graduates and ETF investors who are less educated (high school or less) .



Communication Method: Since the Pandemic

Most of the investors reported there has been no impact of the pandemic on their way of communication with their advisor.

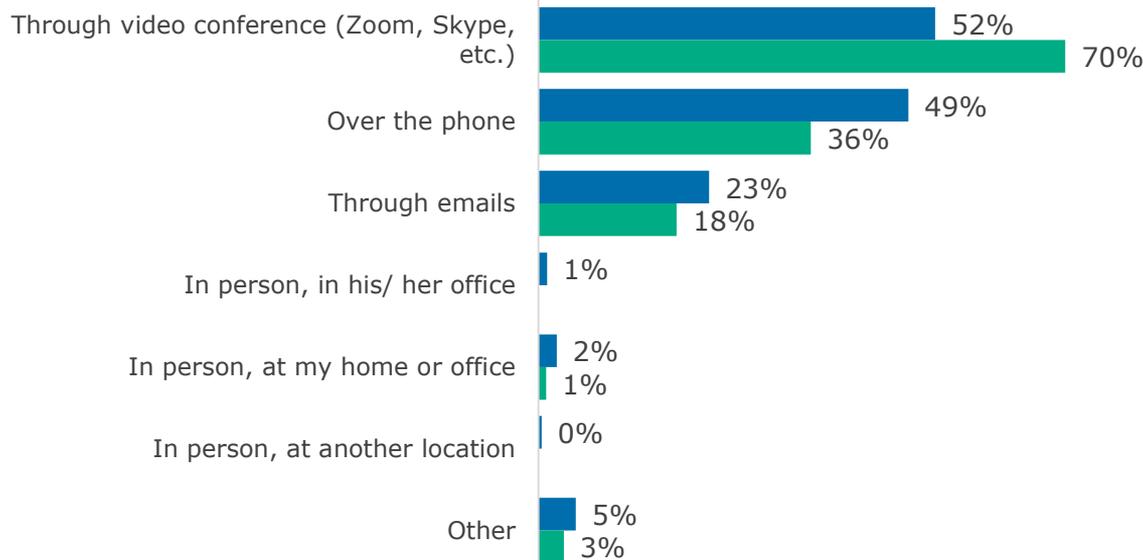
- Seven-in-ten of the investors in both the categories reported they aren't talking with their advisor in a different way since the pandemic.
- Three-in-ten (both categories) said they are talking in a different way with their advisor.



Communication Method: Since the Pandemic

Of those who have changed their method of communications, investors are more likely to have moved to video conference or phone communication.

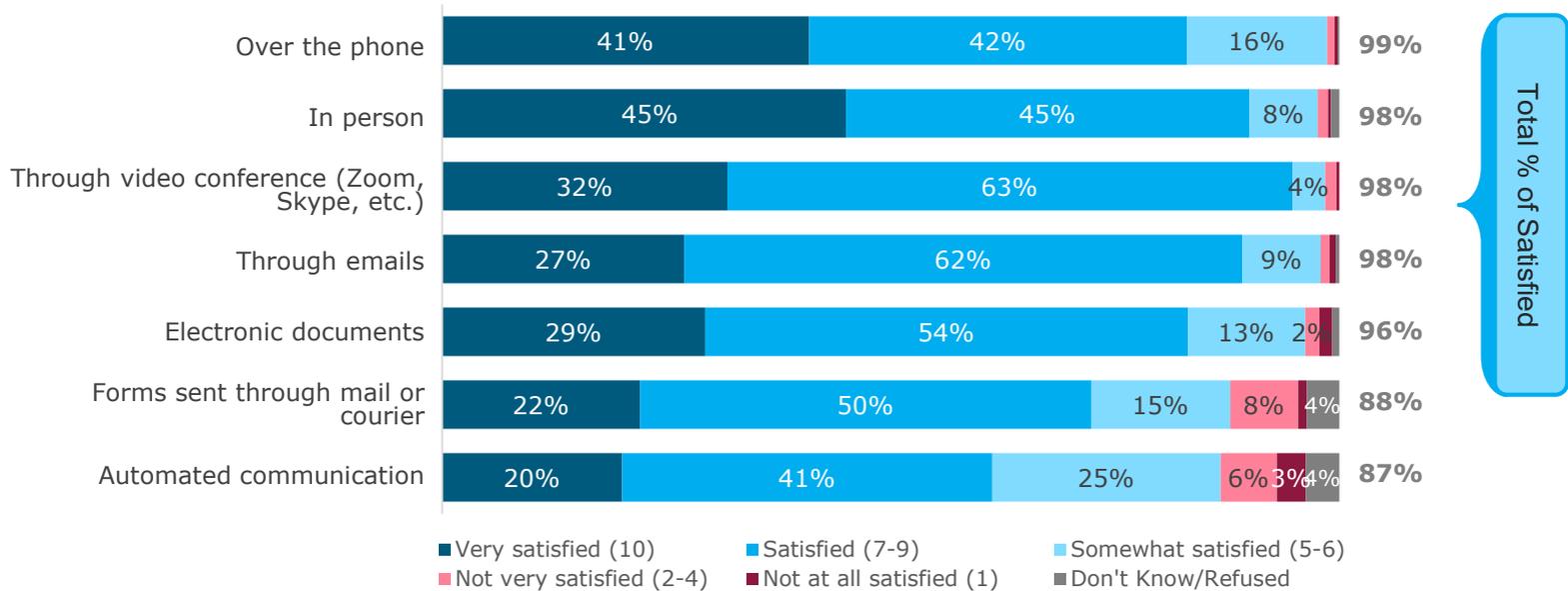
- Of those who have made a change in method of communication since the pandemic, half (52%) of the mutual fund and seven-in-ten (70%) of the ETF investors are meeting their advisor through video conference since the pandemic.
- Half of the mutual fund and a third of the ETF investors communicate over the phone, similar to pre-pandemic but less number of ETF investors (50% in pre-pandemic era).
- **Profile of investors talking to their advisor through video conference since the pandemic:*** Moderately knowledgeable; younger (18-44); female; university graduates; and income of more than \$50k.



Satisfaction with Methods of Communication

Investors are overall satisfied with all the communication methods.

- The majority of all mutual fund investors who communicate via phone, meet their advisor in person, through video conference, through emails, and electronic documents are satisfied with the services of their advisor. However, satisfaction with forms sent through email or courier and automated communication is slightly lower.

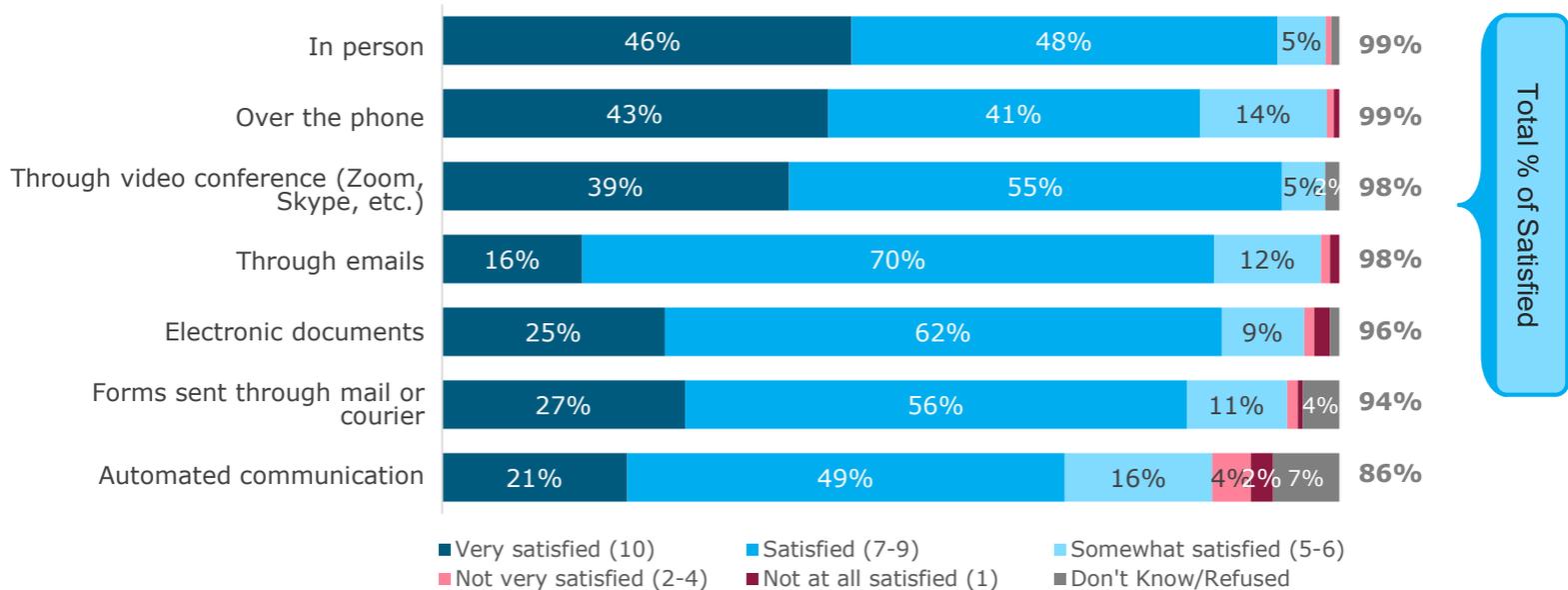


Q48. Overall, how satisfied are you with the following methods of communicating with your advisor? Use a scale from 1 to 10 where 1 means 'not at all satisfied' and 10 means 'completely satisfied'.
 Base- Before or since pandemic: Mutual Funds N=various

Satisfaction with Methods of Communication

Investors are overall satisfied with all the communication methods.

- The majority of all ETF investors who communicate via phone, meet their advisor in person, through video conference, through emails, electronic documents, and with forms sent through email or courier are satisfied with the services of their advisor. However, satisfaction and automated communication is slightly lower.

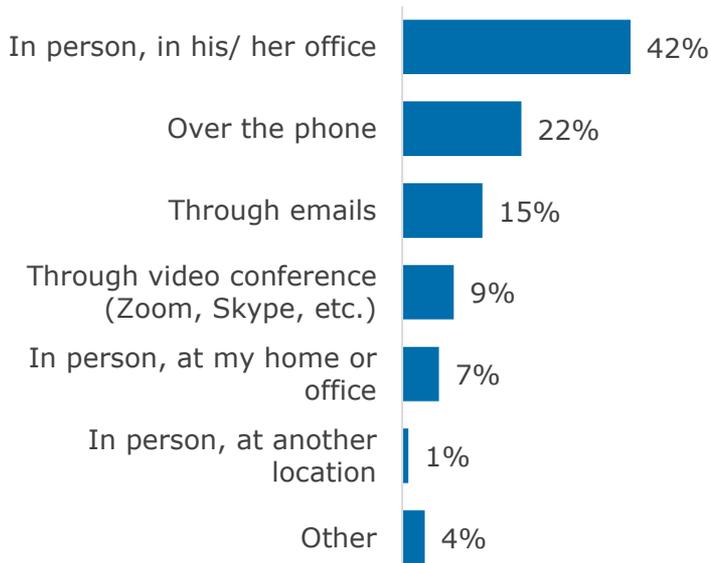


Q48. Overall, how satisfied are you with the following methods of communicating with your advisor? Use a scale from 1 to 10 where 1 means 'not at all satisfied' and 10 means 'completely satisfied'.
 Base- Before or since pandemic: ETF Investors N=various

Communication Method: Once the Pandemic is Over

Most investors are planning to meet their advisor in person, in their office once the pandemic is over.

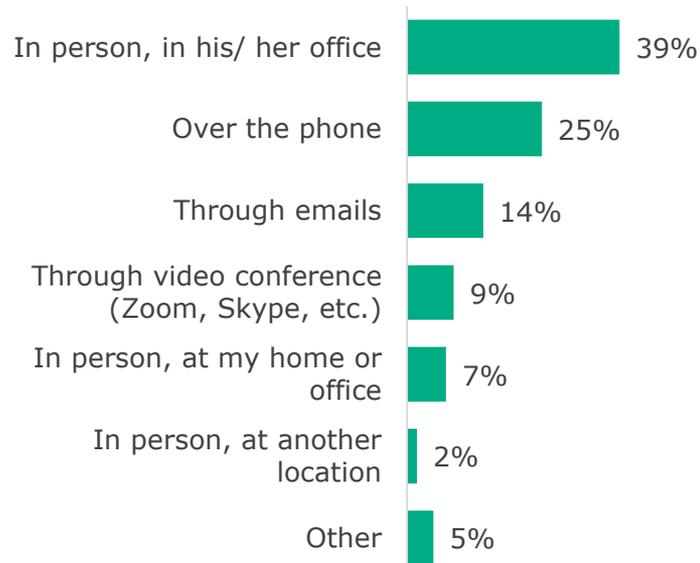
- After the pandemic, communication is likely to be in-person (mutual fund investors 42%, ETF investors 39%), while close to one-quarter will communicate over the phone (mutual fund investors 22%, ETF investors 25%). One-tenth will want to communicate via video conference (9% both investor types).
- **Profile of MF investors who would meet their advisor in his/her office once the pandemic is over:*** Knowledgeable; older people (65+); education less than high school; and income in the range of \$50-99k.
- **Profile of ETF investors who would meet their advisor in his/her office once the pandemic is over:*** Less knowledgeable; younger (18-44); education less than high school; and income in the range of \$50k-99k.



Mutual Fund Investors



ETF Investors





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